

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 18	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2017 - * 96	Amendment No. (req. for Amendments *)
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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 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 \*).

A proposal to amend Rule 1012 to delete two sentences regarding opening for trading of long term option series, which sentences have effectively been superseded by another rule.

**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 11/15/2017	Executive Vice President and General Counsel
By Edward S. Knight	<input style="width: 100%; height: 40px;" type="text"/>
(Name *)	<input type="button" value="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**

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**

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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 (“Phlx” or “Exchange”), 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 (“SEC” or “Commission”) a proposal to amend Section (a)(i)(D) of Rule 1012, Series of Options Open for Trading, to delete two sentences regarding opening for trading of long term option series, which sentences have effectively been superseded by another rule. 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 September 17, 2017. 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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 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

Section (a)(i)(D) of Rule 1012 currently provides that the Exchange may list, with respect to any class of stock or Exchange-Traded Fund Share options series, options having from twelve up to thirty-nine months from the time they are listed until expiration. There may be up to six 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.

Section (a)(i)(D) also provides in its last two sentences that 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, and that no quotations need to be posted for such option series until they are opened for trading. The Exchange proposes to delete the outdated provision of Section (a)(i)(D) regarding the time of opening as inconsistent with, and unnecessary in view of, Rule 1017, Openings in Options, which governs in detail all openings on the Exchange, including openings in long term option series.<sup>3</sup> The Exchange proposes to delete the Section (a)(i)(D) provision that no quotations need to be posted for such option series until they are opened for trading as superfluous, given that no quotations need to be posted for **any** series of options traded on the Exchange until they are opened for trading.<sup>4</sup>

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<sup>3</sup> The Exchange recently amended Rule 1017, Openings in Options, which clarified the manner in which the opening process occurs on Phlx. See Securities Exchange Act Release No. 80820 (May 31, 2017), 82 FR 26171 (June 6, 2017) (SR-Phlx-2017-40).

<sup>4</sup> The Exchange interprets “posted” in Section (a)(i)(D) as meaning published on the Options Price Reporting Authority (“OPRA”). Rule 1017(d)(iii) provides that “[t]he Specialist assigned in a particular equity or index option must enter a Valid Width Quote,

Rule 1017 does provide in great detail for a fully automated opening of trading when there is buying or selling interest in all options series, including long term option series. Generally speaking, the fully automated opening process begins when either (1) a “valid width” specialist quote is submitted, (2) valid width quotes are received from at least two Exchange market makers within two minutes of the opening trade or quote in the underlying security or (3) after two minutes of the opening trade or quote in the underlying, valid width quotes are received from one Exchange market maker. If an opening imbalance exists outside of an acceptable range, the system will initiate an imbalance process. During this process the Exchange will consider interest on the Exchange as well as interest on away exchanges. If there is not an opening imbalance outside of an acceptable range on the Exchange, the system will verify that a “quality opening market” exists in order to validate the opening price prior to executing interest on the opening. A quality opening market is a bid/ask spread with an acceptable differential as defined by the Exchange. The bid/ask spread is made up of the best available bid, on the Exchange as well as away markets, and the best available offer, on the Exchange as well as away market. The acceptable bid/ask spread differentials can be found on the Exchange’s website.

Rule 1017 does not provide for the opening of long term option series 40 minutes prior to the close. The Exchange proposes to remove this inconsistent anachronism, still found in Rule 1012(A)(i)(D), as the Exchange no longer believes that long term options

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in 90% of their assigned series, not later than one minute following the dissemination of a quote or trade by the market for the underlying security or, in the case of index options, following the receipt of the opening price in the underlying index.” The quote resulting from the Specialist’s obligation under Rule 1017(d)(iii) is considered in the opening process of Rule 1017, and the Exchange publishes a quote in the option series once the option has been opened pursuant to that rule.

warrant special opening treatment but should open like other options under Rule 1017, pursuant to a fully automated process in which options open once certain precise conditions have been met. Although removing the provision that long term option series must open forty minutes prior to the close of trading even if there is no buying or selling interest, the Exchange believes it will be rare for a long term option series not to have buying or selling interest in any event, due to Exchange members' quoting obligations.

A number of exchanges' long term options series rules contain the same provisions contained in the last two sentences of Rule 1012(A)(i)(D). These provisions appear to have been put in place due to the fact that long-term series are usually very inactively traded.<sup>5</sup> Although long term options series continue to be inactively traded, the Exchange no longer believes it is necessary to accommodate long term options openings in this manner, and prefers to have the procedures specified in Rule 1017 apply uniformly across options classes for the sake of efficient operation of the Exchange and the minimization of investor confusion. The Exchange believes it is counterintuitive to impose such requirements with respect to long-term series when the requirements do not apply for other series that may be opened pursuant to Rule 1017. Further, the Exchange has no systemic means to force an option to open forty minutes prior to the close.

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<sup>5</sup> See, e.g., Securities Exchange Act Release No. 30010 (November 27, 1991), 56 FR 63747 (December 5, 1991) (SR-NYSE-91-33) (Filing and Order Granting Accelerated Approval of Proposed Rule Change by the New York Stock Exchange, Inc., Relating to the Listing of Long-Term Equity Options), in which the Commission found that the New York Stock Exchange's proposal to open the long-term series for trading either when there is buying or selling interest or 40 minutes prior to the close (whichever occurs first) was consistent with the approach taken by the other options exchanges and was consistent with the Act because long-term series are usually very inactively traded. See also Chicago Board Options Exchange Rule 5.8(b) and NYSE Arca Rule 6.3(e)(i), which contain the same provisions the Exchange proposes to delete.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>7</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, by eliminating an outdated provision regarding opening of long term option series, thereby eliminating an internal inconsistency in the Exchange's rulebook. The language the Exchange is proposing to remove is inconsistent with Rule 1017. Permitting opening of long term options series in the same manner as all other options, under the fully automated process set forth in Rule 1017 will result in operational efficiencies for the Exchange and will minimize potential investor confusion regarding the Exchange's opening procedures.

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 opening process for long term option series will continue to operate in the same manner as today, pursuant to Rule 1017. The proposal does not change the intense competition that exists among the options markets for options business including on the opening. Nor does the Exchange believe that the proposal will impose any burden on intra-market competition; the opening process involves many types of participants and

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<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

interest. The proposal merely removes an outdated rule provision that is inconsistent with Rule 1017.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not Applicable.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)<sup>8</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>9</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. Because the proposed rule change merely deletes an outdated rule and eliminates an internal inconsistency in the Exchange's rulebook, thereby adding clarity to the rules, it does not significantly affect the protection of investors or the public interest; and it does not impose any significant burden on competition. Additionally, even though long-term series continue to be inactively traded, the Exchange believes it is counterintuitive to impose special opening requirements with respect to long-term series when the requirements do not apply for other series that may not be opened pursuant to Rule 1017.

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>9</sup> 17 CFR 240.19b-4(f)(6).



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

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-2017-96)

November \_\_, 2017

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to amend Section (a)(i)(D) of Rule 1012, Series of Options Open for Trading, to delete two sentences regarding opening for trading of long term option series, which sentences have effectively been superseded by another rule.

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 November 15, 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 Section (a)(i)(D) of Rule 1012, Series of Options Open for Trading, to delete two sentences regarding opening for trading of long term option series, which sentences have effectively been superseded by another rule.

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.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Section (a)(i)(D) of Rule 1012 currently provides that the Exchange may list, with respect to any class of stock or Exchange-Traded Fund Share options series, options having from twelve up to thirty-nine months from the time they are listed until expiration. There may be up to six 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.

Section (a)(i)(D) also provides in its last two sentences that 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, and that no quotations need to be posted for such option series until they are opened for trading. The Exchange proposes to delete the outdated provision of Section (a)(i)(D) regarding the time of opening as inconsistent with, and unnecessary in view of, Rule 1017, Openings in Options, which governs in detail all

openings on the Exchange, including openings in long term option series.<sup>3</sup> The Exchange proposes to delete the Section (a)(i)(D) provision that no quotations need to be posted for such option series until they are opened for trading as superfluous, given that no quotations need to be posted for **any** series of options traded on the Exchange until they are opened for trading.<sup>4</sup>

Rule 1017 does provide in great detail for a fully automated opening of trading when there is buying or selling interest in all options series, including long term option series. Generally speaking, the fully automated opening process begins when either (1) a “valid width” specialist quote is submitted, (2) valid width quotes are received from at least two Exchange market makers within two minutes of the opening trade or quote in the underlying security or (3) after two minutes of the opening trade or quote in the underlying, valid width quotes are received from one Exchange market maker. If an opening imbalance exists outside of an acceptable range, the system will initiate an imbalance process. During this process the Exchange will consider interest on the Exchange as well as interest on away exchanges. If there is not an opening imbalance outside of an acceptable range on the Exchange, the system will verify that a “quality

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<sup>3</sup> The Exchange recently amended Rule 1017, Openings in Options, which clarified the manner in which the opening process occurs on Phlx. See Securities Exchange Act Release No. 80820 (May 31, 2017), 82 FR 26171 (June 6, 2017) (SR-Phlx-2017-40).

<sup>4</sup> The Exchange interprets “posted” in Section (a)(i)(D) as meaning published on the Options Price Reporting Authority (“OPRA”). Rule 1017(d)(iii) provides that “[t]he Specialist assigned in a particular equity or index option must enter a Valid Width Quote, in 90% of their assigned series, not later than one minute following the dissemination of a quote or trade by the market for the underlying security or, in the case of index options, following the receipt of the opening price in the underlying index.” The quote resulting from the Specialist’s obligation under Rule 1017(d)(iii) is considered in the opening process of Rule 1017, and the Exchange publishes a quote in the option series once the option has been opened pursuant to that rule.

opening market” exists in order to validate the opening price prior to executing interest on the opening. A quality opening market is a bid/ask spread with an acceptable differential as defined by the Exchange. The bid/ask spread is made up of the best available bid, on the Exchange as well as away markets, and the best available offer, on the Exchange as well as away market. The acceptable bid/ask spread differentials can be found on the Exchange’s website.

Rule 1017 does not provide for the opening of long term option series 40 minutes prior to the close. The Exchange proposes to remove this inconsistent anachronism, still found in Rule 1012(A)(i)(D), as the Exchange no longer believes that long term options warrant special opening treatment but should open like other options under Rule 1017, pursuant to a fully automated process in which options open once certain precise conditions have been met. Although removing the provision that long term option series must open forty minutes prior to the close of trading even if there is no buying or selling interest, the Exchange believes it will be rare for a long term option series not to have buying or selling interest in any event, due to Exchange members’ quoting obligations.

A number of exchanges’ long term options series rules contain the same provisions contained in the last two sentences of Rule 1012(A)(i)(D). These provisions appear to have been put in place due to the fact that long-term series are usually very inactively traded.<sup>5</sup> Although long term options series continue to be inactively traded,

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<sup>5</sup> See, e.g., Securities Exchange Act Release No. 30010 (November 27, 1991), 56 FR 63747 (December 5, 1991) (SR-NYSE-91-33) (Filing and Order Granting Accelerated Approval of Proposed Rule Change by the New York Stock Exchange, Inc., Relating to the Listing of Long-Term Equity Options), in which the Commission found that the New York Stock Exchange’s proposal to open the long-term series for trading either when there is buying or selling interest or 40 minutes prior to the close (whichever occurs first) was consistent with the approach taken by the other options exchanges and

the Exchange no longer believes it is necessary to accommodate long term options openings in this manner, and prefers to have the procedures specified in Rule 1017 apply uniformly across options classes for the sake of efficient operation of the Exchange and the minimization of investor confusion. The Exchange believes it is counterintuitive to impose such requirements with respect to long-term series when the requirements do not apply for other series that may be opened pursuant to Rule 1017. Further, the Exchange has no systemic means to force an option to open forty minutes prior to the close.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>7</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, by eliminating an outdated provision regarding opening of long term option series, thereby eliminating an internal inconsistency in the Exchange's rulebook. The language the Exchange is proposing to remove is inconsistent with Rule 1017. Permitting opening of long term options series in the same manner as all other options, under the fully automated process set forth in Rule 1017 will result in operational efficiencies for the Exchange and will minimize potential investor confusion regarding the Exchange's opening procedures.

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was consistent with the Act because long-term series are usually very inactively traded. See also Chicago Board Options Exchange Rule 5.8(b) and NYSE Arca Rule 6.3(e)(i), which contain the same provisions the Exchange proposes to delete.

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 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 opening process for long term option series will continue to operate in the same manner as today, pursuant to Rule 1017. The proposal does not change the intense competition that exists among the options markets for options business including on the opening. Nor does the Exchange believe that the proposal will impose any burden on intra-market competition; the opening process involves many types of participants and interest. The proposal merely removes an outdated rule provision that is inconsistent with Rule 1017.

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 Act<sup>8</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>9</sup>

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>9</sup> 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.

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
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2017-96 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-2017-96. 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-2017-96 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>10</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>10</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

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

**Nasdaq PHLX Rules**

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**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, options having from twelve up to thirty-nine months from the time they are listed until expiration. There may be up to six 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 - .13 No change.

\* \* \* \* \*