

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

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

Proposal to amend Rule 1080(a)(i)(C) relating to Options Floor Based Management System in connection with offering an interface to submit orders to a particular Floor Broker on the options floor.

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 * Angela Last Name * Dunn
 Title * Principal Associate General Counsel
 E-mail * angela.dunn@nasdaq.com
 Telephone * (215) 496-5692 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 09/07/2018
 By Edward S. Knight
 (Name *)

Executive Vice President and General Counsel

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 *

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

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

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

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

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

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend Rule 1080(a)(i)(C) relating to Options Floor Based Management System (“FBMS”) in connection with offering an interface to submit orders to a particular Floor Broker on the options floor.

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 19, 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:

Angela Saccomandi Dunn
Principal Associate General Counsel
Nasdaq, Inc.
215-496-5692

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 Exchange proposes to offer a new FBMS FIX interface which connects to FBMS (“FBMS FIX Interface”)³ to allow members and non-members to submit orders directly⁴ to a Floor Broker on the Exchange’s trading floor. Today, a market participant desiring to submit an order to the trading floor may contact a Floor Broker telephonically, electronically using an external order management system, or via instant message.⁵ An order submitted via the FBMS FIX Interface would be created by the sender and routed to a Floor Broker. This order would be systematized so that the Floor Broker⁶ automatically receives the order and may then represent the order for execution. A member or non-member would not be able to send the order directly to the trading system for execution. Orders entered via the FBMS FIX Interface will require the interaction of a Floor Broker. Orders will continue to be represented in the trading crowd, regardless of the method in which the order was received. Orders would be executed in the matching engine using FBMS, after all requirements for exposure have been met. The proposed new FBMS FIX Interface will allow the following types of orders to be submitted directly to a Floor Broker: Simple Orders, Multi-leg Orders, Cross and Non-Cross

³ This new interface is a separate and distinct connection from the existing FIX interface, which allows members to send orders to the electronic match engine.

⁴ The interface would allow the market participant to designate a particular Floor Broker through the use of a FIX tag.

⁵ An audit trail is maintained today for all orders received by a Floor Broker.

⁶ A Floor Broker’s employee may also send an order into FBMS or the System on behalf of the Floor Broker.

Orders, Simple Cancels, Cancel and Replacement Orders and Floor Qualified Contingent Cross Orders.

The Exchange believes this new feature will enhance the workflow of a Floor Broker by permitting orders to be directly submitted into FBMS for handling. The Exchange believes that this new functionality will offer market participants another method to direct liquidity to a Floor Broker on the trading floor. The Exchange proposes to amend Rule 1080(a)(i)(C) to add the following sentence to the description of the FBMS protocol, “In addition, a non-member or member may utilize an FBMS FIX interface to create and send an order into FBMS to be represented by a Floor Broker for execution.”

Implementation

The Exchange proposes to implement this functionality in Q1 of 2019. Market participants will be notified of the deployment date by way of an Options Trader Alert, which will be posted on the Exchange’s website.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁸ 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 proposing

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

another method for market participants to submit orders to a particular Floor Broker on the Exchange's trading floor.

The proposal would offer market participants an alternative to the current methods of submitting an order to a Floor Broker which include: (i) calling a Floor Broker; (ii) electronically using an external order management system, or (iii) utilizing instant message. The Exchange believes that this proposal will promote more efficient work flow and provide ease in sending liquidity to the Exchange's trading floor. The Exchange notes that the requirements for submission of orders for execution within FBMS will continue to exist. The Exchange believes that this proposal is consistent with the Act because it will continue to remove impediments to and perfect the mechanism of a free and open market and a national market system by continuing to require a Floor Broker to expose these orders in the trading crowd prior to execution. A Floor Broker would continue to submit any orders to the matching engine for execution using FBMS, after all requirements for exposure have been met. Finally, this proposal is consistent with the Act because it protects investors and the public interest by continuing to provide an audit trail for orders submitted through the FBMS FIX interface.

The Exchange notes that while it is permitting a broader group of market participants to have access to FBMS, in this case with the FBMS FIX Interface, the Exchange does not believe that this amendment raises concern with respect to the quality of information received by the Floor Broker because the Floor Broker remains responsible for ensuring the order is in the proper form and contains the appropriate information for submission. As noted herein, members and non-members would not be able to send orders directly for execution into the matching engine through the FBMS

FIX Interface. The Exchange believes that this expansion only seeks to provide a Floor Broker with an order that is available for representation without the need for the Floor Broker to manually enter the order into FBMS.

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 Exchange's proposal offers market participants the ability to send an order via the FBMS FIX Interface to a particular Floor Broker. The Exchange believes that these proposed amendments do not create a burden on inter-market competition because all members and non-members may send orders to a Floor Broker via the FBMS FIX Interface. As is the case today, any member or non-member may contact a Floor Broker to submit an order to the Phlx trading floor. The Exchange notes that the proposed rule creates a new modality for member and non-members to send orders to a Floor Broker for representation. Floor Brokers conduct an agency business. Other market participants that conduct a market making business have varied workflows as compared to a Floor Broker and would not benefit from a similar FBMS FIX Interface. The Exchange believes that this new interface does not create an intra-market burden on competition for these reasons.

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)⁹ of the Act and Rule 19b-4(f)(6) thereunder¹⁰ 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 Exchange's proposals do not significantly affect the protection of investors or the public interest because the Floor Broker will continue to represent orders sent via the FBMS FIX Interface in a trading crowd, when required, and would also submit such order for execution. A Floor Broker would continue to submit any orders to the matching engine for execution using FBMS, after all requirements for exposure have been met. The Exchange's proposal does not impose any significant burden on competition because all members and non-members may send orders to a Floor Broker via the FBMS FIX Interface.

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.

⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁰ 17 CFR 240.19b-4(f)(6).

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (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-2018-58)

September __, 2018

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 1080(A)(I)(C) Relating to Options Floor Based Management System

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 September 7, 2018, 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 1080(a)(i)(C) relating to Options Floor Based Management System (“FBMS”) in connection with offering an interface to submit orders to a particular Floor Broker on the options floor.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

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

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

1. Purpose

The Exchange proposes to offer a new FBMS FIX interface which connects to FBMS ("FBMS FIX Interface")³ to allow members and non-members to submit orders directly⁴ to a Floor Broker on the Exchange's trading floor. Today, a market participant desiring to submit an order to the trading floor may contact a Floor Broker telephonically, electronically using an external order management system, or via instant message.⁵ An order submitted via the FBMS FIX Interface would be created by the sender and routed to a Floor Broker. This order would be systematized so that the Floor Broker⁶ automatically receives the order and may then represent the order for execution. A member or non-member would not be able to send the order directly to the trading system

³ This new interface is a separate and distinct connection from the existing FIX interface, which allows members to send orders to the electronic match engine.

⁴ The interface would allow the market participant to designate a particular Floor Broker through the use of a FIX tag.

⁵ An audit trail is maintained today for all orders received by a Floor Broker.

⁶ A Floor Broker's employee may also send an order into FBMS or the System on behalf of the Floor Broker.

for execution. Orders entered via the FBMS FIX Interface will require the interaction of a Floor Broker. Orders will continue to be represented in the trading crowd, regardless of the method in which the order was received. Orders would be executed in the matching engine using FBMS, after all requirements for exposure have been met. The proposed new FBMS FIX Interface will allow the following types of orders to be submitted directly to a Floor Broker: Simple Orders, Multi-leg Orders, Cross and Non-Cross Orders, Simple Cancels, Cancel and Replacement Orders and Floor Qualified Contingent Cross Orders.

The Exchange believes this new feature will enhance the workflow of a Floor Broker by permitting orders to be directly submitted into FBMS for handling. The Exchange believes that this new functionality will offer market participants another method to direct liquidity to a Floor Broker on the trading floor. The Exchange proposes to amend Rule 1080(a)(i)(C) to add the following sentence to the description of the FBMS protocol, “In addition, a non-member or member may utilize an FBMS FIX interface to create and send an order into FBMS to be represented by a Floor Broker for execution.”

Implementation

The Exchange proposes to implement this functionality in Q1 of 2019. Market participants will be notified of the deployment date by way of an Options Trader Alert, which will be posted on the Exchange’s website.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁸ 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 proposing another method for market participants to submit orders to a particular Floor Broker on the Exchange's trading floor.

The proposal would offer market participants an alternative to the current methods of submitting an order to a Floor Broker which include: (i) calling a Floor Broker; (ii) electronically using an external order management system, or (iii) utilizing instant message. The Exchange believes that this proposal will promote more efficient work flow and provide ease in sending liquidity to the Exchange's trading floor. The Exchange notes that the requirements for submission of orders for execution within FBMS will continue to exist. The Exchange believes that this proposal is consistent with the Act because it will continue to remove impediments to and perfect the mechanism of a free and open market and a national market system by continuing to require a Floor Broker to expose these orders in the trading crowd prior to execution. A Floor Broker would continue to submit any orders to the matching engine for execution using FBMS, after all requirements for exposure have been met. Finally, this proposal is consistent

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

with the Act because it protects investors and the public interest by continuing to provide an audit trail for orders submitted through the FBMS FIX interface.

The Exchange notes that while it is permitting a broader group of market participants to have access to FBMS, in this case with the FBMS FIX Interface, the Exchange does not believe that this amendment raises concern with respect to the quality of information received by the Floor Broker because the Floor Broker remains responsible for ensuring the order is in the proper form and contains the appropriate information for submission. As noted herein, members and non-members would not be able to send orders directly for execution into the matching engine through the FBMS FIX Interface. The Exchange believes that this expansion only seeks to provide a Floor Broker with an order that is available for representation without the need for the Floor Broker to manually enter the order into FBMS.

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 Exchange's proposal offers market participants the ability to send an order via the FBMS FIX Interface to a particular Floor Broker. The Exchange believes that these proposed amendments do not create a burden on inter-market competition because all members and non-members may send orders to a Floor Broker via the FBMS FIX Interface. As is the case today, any member or non-member may contact a Floor Broker to submit an order to the Phlx trading floor. The Exchange notes that the proposed rule creates a new modality for member and non-members to send orders to a Floor Broker for representation. Floor Brokers conduct an agency business. Other market participants that conduct a market making business have varied workflows as compared to a Floor

Broker and would not benefit from a similar FBMS FIX Interface. The Exchange believes that this new interface does not create an intra-market burden on competition for these reasons.

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 Act⁹ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁰

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.

⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁰ 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.

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-2018-58 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-2018-58. 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-2018-58 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.¹¹

Eduardo A. Aleman
Assistant Secretary

¹¹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text is in brackets.

Nasdaq PHLX Rules

* * * * *

Rule 1080. Electronic Acceptance of Quotes and Orders

(a) **Entry and Display of Orders and Quotes.** Members may enter orders and quotes into the System as specified below.

(i) The Exchange offers members the following protocols for entering orders and quotes respectively:

(A) and (B) No change.

(C) **Options Floor Based Management System or (“FBMS”)** is a component of the System designed to enable members and/or their employees to enter, route and report transactions stemming from options orders received on the Exchange. The FBMS also is designed to establish an electronic audit trail for options orders negotiated, represented and executed by members on the Exchange, to the extent permissible under Rule 1000(f), such that the audit trail provides an accurate, time-sequenced record of electronic and other orders, quotations and transactions on the Exchange, beginning with the receipt of an order by the Exchange, and further documenting the life of the order through the process of execution, partial execution, or cancellation of that order. The features of FBMS are described in Rules 1063(e) and 1085. In addition, a non-member or member may utilize an FBMS FIX interface to create and send an order into FBMS to be represented by a Floor Broker for execution.

* * * * *