

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 various Phlx Rules related to Routing, Remote Specialist, and Assistant Lead Market Maker

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 04/15/2020 EVP and Chief Legal Officer
By John Zecca
(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS 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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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

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 (“Commission”) a proposal to amend Phlx Rules at Options 2, Section 3, Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation”; Options 2, Section 4, Obligations of Market Makers; Options 2, Section 11, Lead Market Maker Appointments; Options 5, Section 4, Order Routing; Options 8, Section 11, Floor Market Maker and Lead Market Maker Appointment; Options 8, Section 25, Floor Allocation; and Options 8, Section 39, Option Minor Rule Violations and Order and Decorum Regulations at E-2, Allocation, Time Stamping, Matching and Access to Matched Trades.

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 25, 2019. 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Questions and comments on the proposed rule change may be directed to:

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

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

a. Purpose

The Exchange proposes to amend Phlx Rules at Options 2, Section 3, Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation"; Options 2, Section 4, Obligations of Market Makers; Options 2, Section 11, Lead Market Maker Appointments; Options 5, Section 4, Order Routing; Options 8, Section 11, Floor Market Maker and Lead Market Maker Appointment; Options 8, Section 25, Floor Allocation; and Options 8, Section 39, Option Minor Rule Violations and Order and Decorum Regulations at E-2, Allocation, Time Stamping, Matching and Access to Matched Trades. Each change is described below.

Remote Specialist

The Exchange proposes to amend Options 2, Section 4, Obligations of Market Maker, to replace rule text currently within Options 2, Section 4(b)(2) with more precise rule text. Currently, the rule text in the last two sentences of Options 2, Section 4(b)(2) provides, "An RSQT shall not submit option quotations in eligible options to which such RSQT is assigned to the extent that the RSQT is also approved as a Remote Lead Market Maker in the same options. An RSQT may only trade in a market making capacity in classes of options in which he is assigned or approved as a Remote Lead Market Maker." The Exchange would like to replace this text with more precise language which it believes more clearly conveys the meaning of those sentences. The Exchange proposes

to state, “An RSQT may not simultaneously quote both as RSQT and Remote Lead Market Maker in a particular security. If an RSQT is a Remote Lead Market Maker in a particular security, the Remote Lead Market Maker must make a market as a Remote Lead Market Maker and may not make a market as an RSQT in that particular security.” This rule text, which the Exchange believes is clear and precise, is taken from the Order which approved this rule text.³ This amendment is a non-substantive rule change which is merely intended to bring greater clarity to the obligation of an RSQT who is also the Remote Lead Market Maker in a particular security.

Assistant Lead Market Maker

The Exchange proposes to amend rule text within Options 2, Section 3, Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation; Options 2, Section 11, Lead Market Maker Appointments; Options 8, Section 11, Floor Market Maker and Lead Market Maker Appointment; Options 8, Section 25, Floor Allocation; and Options 8, Section 39, Option Minor Rule Violations and Order and Decorum Regulations at E-2, Allocation, Time Stamping, Matching and Access to Matched Trades to replace the term “assistant” with “back-up.” This amendment is non-substantive. The Exchange believes that the word “back-up” is a more precise term that emphasizes that the Market Maker must be able to take on all the duties of the Lead Market Maker. No obligations are being amended with respect to this role.

³ See Securities Exchange Act Release No. 63717 (January 14, 2011), 76 FR 4141at 4143 (January 24, 2011) (SR-Phlx-2010-145) (“Order Granting Accelerated Approval to a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Relating to the Establishment of Remote Specialists”).

Routing

Phlx previously filed a rule proposal⁴ to amend this Options 5, Section 4, “Order Routing,” which was previously numbered Rule 1093.⁵ At this time, the Exchange proposes to remove two sentences within Options 5, Section 4 for FIND and SRCH Orders. These sentences were inadvertently not removed in the Prior Rule Change.

FIND Orders

The Exchange proposes to delete a sentence within FIND Orders at Options 5, Section 4(a)(iii)(B)(5) which states, “If during the Route Timer, the ABBO moves and crosses the FIND Order, any new interest arrives opposite the FIND Order that is marketable against the FIND Order will trade at the FIND Order price.” This sentence is incorrect in that it contradicts a sentence at the end of Options 5, Section 4(a)(iii)(B)(5) which states, “If during the Route Timer any new interest arrives opposite the FIND Order that is marketable against the FIND Order such interest will trade against the FIND Order at the ABBO price unless the ABBO is improved to a price which crosses the FIND Order’s already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price.” The current last sentence within Options 5, Section 4(a)(iii)(B)(5) accurately describes the scenario for new interest arriving opposite the FIND Order that is marketable against the FIND Order.

⁴ See Securities Exchange Act Release No. 87811 (December 20, 2019), 84 FR 72017 (December 30, 2019) (SR-Phlx-2019-56) (“Prior Rule Change”).

⁵ Phlx has recently renumbered its rules in connection with a Rulebook relocation to a new Rulebook shell. See SR-Phlx-2020-03.

By way of example, assume a PHLX BBO: 1 x 1.25 and a CBOE BBO: 1.05 x

1.15.

If a FIND Order was entered to Buy 1 @ 1.20

FIND Order to buy is exposed on Phlx market data feeds @1.15 (then ABBO)
and displayed on OPRA at 1.14

Route Timer begins

During Route Timer a Limit Order to sell 1 @ 1.15 arrives

CBOE adjusts its BBO to 1.05 x 1.10

The Route Timer ends and the Find Order will trade with the sell Limit Order at 1.15 in this example.

The incorrect sentence provides that if the ABBO moves and crosses the FIND Order, any new interest that arrives opposite the FIND Order, which is marketable against the FIND Order, will trade at the FIND Order Price. This is incorrect because the new interest would trade against the FIND Order at the ABBO price, unless the ABBO is improved to a price which crosses the FIND Order's already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price. The current sentence is incorrect because the FIND Order will not trade at the FIND Order price as noted in the first quoted sentence, rather it would execute at the previous ABBO price because the away market crossed a displayed price. The Exchange would display the order one MPV inferior to the away market offer, at 1.14. The FIND Order would execute at 1.15 which was the previous ABBO bid, as the away market crossed the displayed price of 1.14. Today, the System does not execute this trade at the FIND Order price as incorrectly noted. The Exchange would not trade-through the ABBO in this circumstance, Phlx would be bound by the Cboe's price in the above example. This specific rule text does not properly reflect the System operation. The rule text which provides that if the away market crossed Phlx's already displayed

price the FIND Order will execute at the previous ABBO price, reflects the current System handling.

The Exchange proposes to correct the rule text by deleting the contradictory sentence. The remaining rule text will properly reflect the current System handling. Further, the Exchange proposes to relocate the correct sentence within Options 5, Section 4(a)(iii)(B)(5) to the same location as the deleted text to improve the flow of information presented within Options 5, Section 4(a)(iii)(B)(5).

SRCH Orders

The Exchange proposes a similar correction to the SRCH Orders rule text. The Exchange proposes to similarly remove rule a contradictory sentence within current Options 5, Section 4(a)(iii)(C)(4) which provides, “If during the Route Timer, the ABBO moves and crosses the SRCH Order, any new interest arrives opposite the SRCH Order that is marketable against the SRCH Order will trade at the SRCH Order price.” Also, the Exchange proposes to replicate the last sentence of Options 5, Section 4(a)(iii)(C)(6), which contains the accurate scenario for new interest arriving opposite the SRCH Order that is marketable against the SRCH Order, to the same location as the deleted text within Options 5, Section 4(a)(iii)(C)(4) to improve the flow of information presented within that paragraph. The Exchange proposes to retain the exact sentence within Options 5, Section 4(a)(iii)(C)(6) because it applies equally to the scenarios described within Options 5, Section 4(a)(iii)(C)(6).

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the

Act,⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁷ in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest.

Remote Specialist

The Exchange's proposal to amend Options 2, Section 4, Obligations of Market Maker, to replace rule text currently within Options 2, Section 4(b)(2) with more precise rule text is consistent with the Act. The proposed new rule text is taken from the order approving the rule and more clearly explains the obligation of an RSQT who is also the Remote Lead Market Maker in a particular security. This rule change is non-substantive and will benefit market participants by bringing greater clarity to the rule text.

Assistant Lead Market Maker

The Exchange's proposal to amend rule text within Options 2, Section 3, Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation; Options 2, Section 11, Lead Market Maker Appointments; Options 8, Section 11, Floor Market Maker and Lead Market Maker Appointment; Options 8, Section 25, Floor Allocation; and Options 8, Section 39, Option Minor Rule Violations and Order and Decorum Regulations at E-2, Allocation, Time Stamping, Matching and Access to Matched Trades, to replace the term "assistant" with "back-up" is consistent with the Act. This amendment is non-substantive. The Exchange believes that the word "back-up" is a more precise term that emphasizes that the Market Maker must be able to take on all the duties of the Lead Market Maker and will benefit market participants by bringing greater

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

clarity to the rule text. No obligations are being amended with respect to this role.

Routing

With respect to the amendments to the Order Routing Rule, the Exchange's removal of two contradictory sentences is consistent with the Act because this will bring clarity and transparency to the rule. Further, relocating the correct rule text within the FIND and adding the correct rule text within SRCH rule language are non-substantive amendments which will improve the flow of information.

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.

Remote Specialist

The Exchange's proposal to amend Options 2, Section 4, Obligations of Market Maker" to replace rule text currently within Options 2, Section 4(b)(2) with more precise rule text does not impose an undue burden on competition. This non-substantive amendment more clearly explains the obligation of an RSQT who is also the Remote Lead Market Maker in a particular security.

Assistant Lead Market Maker

The Exchange's proposal to amend rule text within Options 2, Section 3, Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation; Options 2, Section 11, Lead Market Maker Appointments; Options 8, Section 11, Floor Market Maker and Lead Market Maker Appointment; Options 8, Section 25, Floor Allocation; and Options 8, Section 39, Option Minor Rule Violations and Order and Decorum Regulations at E-2, Allocation, Time Stamping, Matching and Access to

Matched Trades, to replace the term “assistant” with “back-up” does not impose an undue burden on competition. This non-substantive amendment will bring greater clarity to the rule text. No obligations are being amended with respect to this role.

Routing

The Exchange believes that deleting the two contradictory sentences will bring greater clarity to the rule. Further, relocating the correct rule text within the FIND and adding the correct rule text within the SRCH language is a non-substantive amendment which will improve the flow of information.

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)⁸ of the Act and Rule 19b-4(f)(6) thereunder⁹ 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.

⁸ 15 U.S.C. 78s(b)(3)(A)(iii).

⁹ 17 CFR 240.19b-4(f)(6).

The Exchange believes that this proposal does not significantly affect the protection of investors or the public interest. The Exchange's proposal to amend Options 2, Section 4, Obligations of Market Maker, to replace rule text currently within Options 2, Section 4(b)(2) with more precise rule text is a non-substantive amendment which more clearly explains the obligation of an RSQT who is also the Remote Lead Market Maker in a particular security. The Exchange's proposal to amend rule text within Options 2, Section 3, Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation; Options 2, Section 11, Lead Market Maker Appointments; Options 8, Section 11, Floor Market Maker and Lead Market Maker Appointment; Options 8, Section 25, Floor Allocation; and Options 8, Section 39, Option Minor Rule Violations and Order and Decorum Regulations at E-2, Allocation, Time Stamping, Matching and Access to Matched Trades, to replace the term "assistant" with "back-up" is a non-substantive amendment that emphasizes that the Market Maker must be able to take on all the duties of the Lead Market Maker and will bring greater clarity to the rule text. Removing two unnecessary and incorrect sentences, which contradict other current rule text, will bring transparency to the rule. Further, relocating the correct rule text within the FIND and adding the correct rule text within SRCH language is a non-substantive amendment which will improve the flow of information. The proposed amendments do not impose any significant burden on competition. The amendments are non-substantive amendments to the allocation and routing rules.

Furthermore, Rule 19b-4(f)(6)(iii)¹⁰ requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that

¹⁰ 17 CFR 240.19b-4(f)(6)(iii).

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 necessary or appropriate in the public interest, for the protection of investors, or 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.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that it may immediately remove the two incorrect and contradictory sentences in the Phlx Routing rule to bring greater clarity and transparency to its rules for the protection of investors and the general public.

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-2020-21)

April __, 2020

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Various Phlx Rules related to Routing, Remote Specialist, and Assistant Lead Market Maker

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 April 15, 2020, 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 Phlx Rules at Options 2, Section 3, Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation”; Options 2, Section 4, Obligations of Market Makers; Options 2, Section 11, Lead Market Maker Appointments; Options 5, Section 4, Order Routing; Options 8, Section 11, Floor Market Maker and Lead Market Maker Appointment; Options 8, Section 25, Floor Allocation; and Options 8, Section 39, Option Minor Rule Violations and Order and Decorum Regulations at E-2, Allocation, Time Stamping, Matching and Access to Matched Trades.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 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 amend Phlx Rules at Options 2, Section 3, Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation"; Options 2, Section 4, Obligations of Market Makers; Options 2, Section 11, Lead Market Maker Appointments; Options 5, Section 4, Order Routing; Options 8, Section 11, Floor Market Maker and Lead Market Maker Appointment; Options 8, Section 25, Floor Allocation; and Options 8, Section 39, Option Minor Rule Violations and Order and Decorum Regulations at E-2, Allocation, Time Stamping, Matching and Access to Matched Trades. Each change is described below.

Remote Specialist

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provides, “An RSQT shall not submit option quotations in eligible options to which such RSQT is assigned to the extent that the RSQT is also approved as a Remote Lead Market Maker in the same options. An RSQT may only trade in a market making capacity in classes of options in which he is assigned or approved as a Remote Lead Market Maker.” The Exchange would like to replace this text with more precise language which it believes more clearly conveys the meaning of those sentences. The Exchange proposes to state, “An RSQT may not simultaneously quote both as RSQT and Remote Lead Market Maker in a particular security. If an RSQT is a Remote Lead Market Maker in a particular security, the Remote Lead Market Maker must make a market as a Remote Lead Market Maker and may not make a market as an RSQT in that particular security.” This rule text, which the Exchange believes is clear and precise, is taken from the Order which approved this rule text.³ This amendment is a non-substantive rule change which is merely intended to bring greater clarity to the obligation of an RSQT who is also the Remote Lead Market Maker in a particular security.

Assistant Lead Market Maker

The Exchange proposes to amend rule text within Options 2, Section 3, Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation; Options 2, Section 11, Lead Market Maker Appointments; Options 8, Section 11, Floor Market Maker and Lead Market Maker Appointment; Options 8, Section 25, Floor Allocation; and Options 8, Section 39, Option Minor Rule Violations and Order and Decorum Regulations at E-2, Allocation, Time Stamping, Matching and Access to Matched Trades

³ See Securities Exchange Act Release No. 63717 (January 14, 2011), 76 FR 4141at 4143 (January 24, 2011) (SR-Phlx-2010-145) (“Order Granting Accelerated Approval to a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Relating to the Establishment of Remote Specialists”).

to replace the term “assistant” with “back-up.” This amendment is non-substantive. The Exchange believes that the word “back-up” is a more precise term that emphasizes that the Market Maker must be able to take on all the duties of the Lead Market Maker. No obligations are being amended with respect to this role.

Routing

Phlx previously filed a rule proposal⁴ to amend this Options 5, Section 4, “Order Routing,” which was previously numbered Rule 1093.⁵ At this time, the Exchange proposes to remove two sentences within Options 5, Section 4 for FIND and SRCH Orders. These sentences were inadvertently not removed in the Prior Rule Change.

FIND Orders

The Exchange proposes to delete a sentence within FIND Orders at Options 5, Section 4(a)(iii)(B)(5) which states, “If during the Route Timer, the ABBO moves and crosses the FIND Order, any new interest arrives opposite the FIND Order that is marketable against the FIND Order will trade at the FIND Order price.” This sentence is incorrect in that it contradicts a sentence at the end of Options 5, Section 4(a)(iii)(B)(5) which states, “If during the Route Timer any new interest arrives opposite the FIND Order that is marketable against the FIND Order such interest will trade against the FIND Order at the ABBO price unless the ABBO is improved to a price which crosses the FIND Order’s already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price.” The current last

⁴ See Securities Exchange Act Release No. 87811 (December 20, 2019), 84 FR 72017 (December 30, 2019) (SR-Phlx-2019-56) (“Prior Rule Change”).

⁵ Phlx has recently renumbered its rules in connection with a Rulebook relocation to a new Rulebook shell. See SR-Phlx-2020-03.

sentence within Options 5, Section 4(a)(iii)(B)(5) accurately describes the scenario for new interest arriving opposite the FIND Order that is marketable against the FIND Order.

By way of example, assume a PHLX BBO: 1 x 1.25 and a CBOE BBO: 1.05 x 1.15.

If a FIND Order was entered to Buy 1 @ 1.20
FIND Order to buy is exposed on Phlx market data feeds @1.15 (then ABBO)
and displayed on OPRA at 1.14
Route Timer begins
During Route Timer a Limit Order to sell 1 @ 1.15 arrives
CBOE adjusts its BBO to 1.05 x 1.10

The Route Timer ends and the Find Order will trade with the sell Limit Order at 1.15 in this example.

The incorrect sentence provides that if the ABBO moves and crosses the FIND Order, any new interest that arrives opposite the FIND Order, which is marketable against the FIND Order, will trade at the FIND Order Price. This is incorrect because the new interest would trade against the FIND Order at the ABBO price, unless the ABBO is improved to a price which crosses the FIND Order's already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price. The current sentence is incorrect because the FIND Order will not trade at the FIND Order price as noted in the first quoted sentence, rather it would execute at the previous ABBO price because the away market crossed a displayed price. The Exchange would display the order one MPV inferior to the away market offer, at 1.14. The FIND Order would execute at 1.15 which was the previous ABBO bid, as the away market crossed the displayed price of 1.14. Today, the System does not execute this trade at the FIND Order price as incorrectly noted. The Exchange would not trade-through the ABBO in this circumstance, Phlx would be bound by the Cboe's price in the

above example. This specific rule text does not properly reflect the System operation. The rule text which provides that if the away market crossed Phlx's already displayed price the FIND Order will execute at the previous ABBO price, reflects the current System handling.

The Exchange proposes to correct the rule text by deleting the contradictory sentence. The remaining rule text will properly reflect the current System handling. Further, the Exchange proposes to relocate the correct sentence within Options 5, Section 4(a)(iii)(B)(5) to the same location as the deleted text to improve the flow of information presented within Options 5, Section 4(a)(iii)(B)(5).

SRCH Orders

The Exchange proposes a similar correction to the SRCH Orders rule text. The Exchange proposes to similarly remove rule a contradictory sentence within current Options 5, Section 4(a)(iii)(C)(4) which provides, "If during the Route Timer, the ABBO moves and crosses the SRCH Order, any new interest arrives opposite the SRCH Order that is marketable against the SRCH Order will trade at the SRCH Order price." Also, the Exchange proposes to replicate the last sentence of Options 5, Section 4(a)(iii)(C)(6), which contains the accurate scenario for new interest arriving opposite the SRCH Order that is marketable against the SRCH Order, to the same location as the deleted text within Options 5, Section 4(a)(iii)(C)(4) to improve the flow of information presented within that paragraph. The Exchange proposes to retain the exact sentence within Options 5, Section 4(a)(iii)(C)(6) because it applies equally to the scenarios described within Options 5, Section 4(a)(iii)(C)(6).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the

Act,⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁷ in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest.

Remote Specialist

The Exchange's proposal to amend Options 2, Section 4, Obligations of Market Maker, to replace rule text currently within Options 2, Section 4(b)(2) with more precise rule text is consistent with the Act. The proposed new rule text is taken from the order approving the rule and more clearly explains the obligation of an RSQT who is also the Remote Lead Market Maker in a particular security. This rule change is non-substantive and will benefit market participants by bringing greater clarity to the rule text.

Assistant Lead Market Maker

The Exchange's proposal to amend rule text within Options 2, Section 3, Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation; Options 2, Section 11, Lead Market Maker Appointments; Options 8, Section 11, Floor Market Maker and Lead Market Maker Appointment; Options 8, Section 25, Floor Allocation; and Options 8, Section 39, Option Minor Rule Violations and Order and Decorum Regulations at E-2, Allocation, Time Stamping, Matching and Access to Matched Trades, to replace the term "assistant" with "back-up" is consistent with the Act. This amendment is non-substantive. The Exchange believes that the word "back-up" is a more precise term that emphasizes that the Market Maker must be able to take on all the duties of the Lead Market Maker and will benefit market participants by bringing greater

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

clarity to the rule text. No obligations are being amended with respect to this role.

Routing

With respect to the amendments to the Order Routing Rule, the Exchange's removal of two contradictory sentences is consistent with the Act because this will bring clarity and transparency to the rule. Further, relocating the correct rule text within the FIND and adding the correct rule text within SRCH rule language are non-substantive amendments which will improve the flow of information.

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.

Remote Specialist

The Exchange's proposal to amend Options 2, Section 4, Obligations of Market Maker" to replace rule text currently within Options 2, Section 4(b)(2) with more precise rule text does not impose an undue burden on competition. This non-substantive amendment more clearly explains the obligation of an RSQT who is also the Remote Lead Market Maker in a particular security.

Assistant Lead Market Maker

The Exchange's proposal to amend rule text within Options 2, Section 3, Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation; Options 2, Section 11, Lead Market Maker Appointments; Options 8, Section 11, Floor Market Maker and Lead Market Maker Appointment; Options 8, Section 25, Floor Allocation; and Options 8, Section 39, Option Minor Rule Violations and Order and Decorum Regulations at E-2, Allocation, Time Stamping, Matching and Access to

Matched Trades, to replace the term “assistant” with “back-up” does not impose an undue burden on competition. This non-substantive amendment will bring greater clarity to the rule text. No obligations are being amended with respect to this role.

Routing

The Exchange believes that deleting the two contradictory sentences will bring greater clarity to the rule. Further, relocating the correct rule text within the FIND and adding the correct rule text within the SRCH language is a non-substantive amendment which will improve the flow of information.

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 Act⁸ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁹

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

⁸ 15 U.S.C. 78s(b)(3)(A)(iii).

⁹ 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.

Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or 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. Please include File Number SR-Phlx-2020-21 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-2020-21. 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-2020-21 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.¹⁰

J. Matthew DeLesDernier
Assistant Secretary

¹⁰ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text is in brackets.

Nasdaq PHLX LLC Rules

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Options Rules

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Options 2 Options Market Participants

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Section 3. Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation

(a) No change.

(b) An allocation or reallocation application shall be submitted in writing to the Exchange's designated staff and shall include, at a minimum, the name and background of the head Lead Market Maker and [assistant]back-up Lead Market Maker(s) (except that a Remote Lead Market Maker need not include a[n assistant] back-up Lead Market Maker), the unit's experience and capitalization demonstrating an ability to trade the particular options class sought, and any other reasons why the unit believes it should be assigned or allocated the security. In addition, the Exchange may also require that the application include other information. The Exchange may resolicit applications for any reason, including if it determines that its initial solicitation resulted in an insufficient number of applicants.

* * * * *

Section 4. Obligations of Market Makers

(a) No change.

(b) Each Market Maker electing to engage in Exchange options transactions shall be assigned by the Exchange one or more classes of options. The obligations of an Market Maker with respect to those classes of options to which he is assigned shall take precedence over his other Market Maker activities.

(1) No change.

(2) An RSQT may only submit quotations electronically from off the floor of the Exchange. [An RSQT shall not submit option quotations in eligible options to which such RSQT is assigned to the extent that the RSQT is also approved as a Remote Lead Market Maker in the same options. An RSQT may only trade in a market making capacity in classes of options in which he is assigned or approved as a Remote Lead Market Maker.]An RSQT may not simultaneously quote both as RSQT and Remote Lead Market Maker in a particular security. If an RSQT is a Remote Lead Market Maker in a particular security, the Remote Lead Market Maker must make a market as a Remote Lead Market Maker and may not make a market as an RSQT in that particular security.

* * * * *

Section 11. Lead Market Maker Appointment

(a) Upon application by a qualified member organization, the Exchange will approve such organization as an approved Lead Market Maker unit. An application to act as a Lead Market Maker must include, for ordinary and extraordinary circumstances, the identity of the individual who will act as head Lead Market Maker as well as the individual(s) who will act as [assistant]back-up Lead Market Maker(s).

* * * * *

(e) Once an applicant is approved by the Exchange as a Lead Market Maker unit, any material change in the capital or staff of the unit or any move by a head or [assistant]back-up Lead Market Maker from one unit to another shall be reported in writing to the Exchange and in no circumstances shall be reported more than two business days after the change.

(f) A Remote Streaming Quote Trader ("RSQT"), as defined in Options 1, Section 1(b)(49), may submit an application as described above to be approved in one or more classes as a Remote Lead Market Maker as defined in Options 2, Section 12(a)(2).

(i) A Remote Lead Market Maker does not need to meet the [assistant]back-up Lead Market Maker staffing requirement pursuant to paragraph (d) of this rule.

Options 5 Order Protection and Locked and Crossed Markets

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Section 4. Order Routing

(a) Phlx offers two routing strategies, FIND and SRCH. Each of these routing strategies will be explained in more detail below. An order may in the alternative be marked Do Not Route or "DNR". The Exchange notes that for purposes of this rule the System will route FIND and SRCH Orders with no other contingencies. Immediate or Cancel ("OC") Orders will be cancelled immediately if not executed, and will not be routed. The System checks the Order Book for available contracts for potential execution against the FIND or SRCH orders. After the System checks the Order Book for available contracts, orders are sent to other available market centers for potential execution. For purposes of this rule, the Phlx's best bid or offer or "PBBO" does not include All-or-None Orders or Stop Orders which have not been triggered and the "internal PBBO" shall refer to the actual better price of an order resting on Phlx's Order Book, which is not displayed, but available for execution, excluding All-or-None Orders. For purposes of this rule, a Route Timer shall not exceed one second and shall begin at the time orders are accepted into the System, and the System will consider whether an order can be routed at the conclusion of each Route Timer. Finally, for purposes of this rule, "exposure" or "exposing" an order shall mean a notification sent to participants with the price, size, and side of interest that is available for execution. An order exposure alert is sent if the order size is modified. Exposure notifications will be sent to participants in accordance with the routing procedures described in Options 5, Section 4(a)(iii) below except if an incoming order is joining an already established PBBO price

when the ABBO is locked or crossed with the PBBO, in which case such order will join the established PBBO price and no exposure notification will be sent. For purposes of this rule Phlx's opening process is governed by Options 3, Section 8 and includes an opening after a trading halt ("Opening Process").

* * * * *

(iii) The following order types are available:

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(B) ***FIND Order.*** A FIND Order is an order that is: (i) routable at the conclusion of an Opening Process; and (ii) routable upon receipt during regular trading, after an option series is open. FIND Orders submitted after an Opening Process initiate their own Route Timers and are routed in the order in which their Route Timers end. FIND Orders that are not marketable with the ABBO upon receipt will be treated as DNR for the remainder of the trading day.

* * * * *

(5) A FIND Order received after an Opening Process that is marketable against the internal PBBO when the ABBO is equal to the internal PBBO will be traded at the Exchange at the internal PBBO. If the FIND Order has size remaining after exhausting the PBBO, it will initiate a Route Timer, and expose the FIND Order at the ABBO to allow market participants an opportunity to interact with the remainder of the FIND Order. During the Route Timer, the FIND Order will be included in the PBBO at a price one MPV away from the ABBO. If, during the Route Timer, any new interest arrives opposite the FIND Order that is equal to or better than the ABBO price, the FIND Order will trade against such new interest at the ABBO price. [If during the Route Timer, the ABBO moves and crosses the FIND Order, any new interest arrives opposite the FIND Order that is marketable against the FIND Order will trade at the FIND Order price.] If during the Route Timer any new interest arrives opposite the FIND Order that is marketable against the FIND Order such interest will trade against the FIND Order at the ABBO price unless the ABBO is improved to a price which crosses the FIND Order's already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price. If during the Route Timer, the ABBO markets move such that the FIND Order is no longer marketable against the ABBO, it may: (i) trade at the next PBBO price (or prices) if the FIND Order price is locking or crossing that price (or prices), and/or (ii) be entered into the Order Book at its limit price if not locking or crossing the PBBO. A FIND Order will be included in the displayed PBBO at its limit price, unless the FIND Order locks or crosses the ABBO, in which case it will be entered into the Order Book at the ABBO price and displayed one MPV inferior to the ABBO. If there exists a locked ABBO when the FIND Order is entered onto the Order Book, the FIND Order will be entered into the Order Book at the ABBO price and displayed

one MPV inferior to the ABBO. [If during the Route Timer any new interest arrives opposite the FIND Order that is marketable against the FIND Order such interest will trade against the FIND Order at the ABBO price unless the ABBO is improved to a price which crosses the FIND Order's already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price.]

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(C) **SRCH Order.** A SRCH Order is a Public Customer order that is routable at any time. A SRCH Order on the Order Book during an Opening Process (including a re-opening following a trading halt), whether it is received prior to an Opening Process or it is a GTC SRCH Order from a prior day, may be routed as part of an Opening Process. Orders initiate their own Route Timers and are routed in the order in which their Route Timers end.

* * * * *

(4) A SRCH Order received after an Opening Process that is marketable against the PBBO when the ABBO is equal to the internal PBBO will be traded at the Exchange at the internal PBBO price. If the SRCH Order has size remaining after exhausting the PBBO, it will initiate a Route Timer and expose the SRCH Order at the ABBO to allow participants and other market participants an opportunity to interact with the SRCH Order. During the timer, the SRCH Order will be included in the PBBO at a price one MPV away from the ABBO. If, during the Route Timer, any new interest arrives opposite the SRCH Order that is equal to or better than the ABBO price, the SRCH Order will trade against such new interest at the ABBO price. [If during the Route Timer, the ABBO moves and crosses the SRCH Order, any new interest arrives opposite the SRCH Order that is marketable against the SRCH Order will trade at the SRCH Order price.] If during the Route Timer any new interest arrives opposite the SRCH Order that is marketable against the SRCH Order such interest will trade against the SRCH order at the ABBO price unless the ABBO is improved to a price which crosses the SRCH Order's already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price.

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(6) A SRCH Order received after an Opening Process that is marketable against the ABBO when the ABBO is better than the PBBO will initiate a Route Timer, and expose the SRCH Order at the ABBO to allow participants and other market participants an opportunity to interact with the SRCH Order. During the Route Timer, the SRCH Order will be included in the PBBO at a price that is the better of one MPV inferior to the ABBO or at the PBBO. If, during the Route Timer, any new interest arrives opposite the SRCH Order that is equal to or better than the ABBO price, the SRCH Order will trade against such new interest at the ABBO

price. If during the Route Timer, the ABBO markets move such that the SRCH Order is no longer marketable against the ABBO, it may: (i) trade at the next PBBO price (or prices) if the SRCH Order price is locking or crossing that price (or prices), and/or (ii) be entered into the Order Book at its limit price if not locking or crossing the PBBO. A SRCH Order will be included in the displayed PBBO at its limit price, unless the SRCH Order locks or crosses the ABBO, in which case it will be entered into the Order Book at the ABBO price and displayed one MPV inferior to the ABBO. If there exists a locked ABBO when the SRCH Order will be entered into the Order Book at the ABBO price and displayed one MPV inferior to the ABBO. If during the Route Timer any new interest arrives opposite the SRCH Order that is marketable against the SRCH Order such interest will trade against the SRCH order at the ABBO price unless the ABBO is improved to a price which crosses the SRCH Order's already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price.

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Options 8 Floor Trading

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Section 11. Floor Market Maker and Lead Market Maker Appointment

(a) In addition to the requirements specified in Options 2, Section 11 related to the appointment of a Lead Market Maker, each Lead Market Maker unit must consist of at least the following staff for each Trading Floor Lead Market Maker post: (1) one head Lead Market Maker; and (2) one [assistant]back-up Lead Market Maker that must be associated with the Lead Market Maker unit. The Exchange, in its discretion, may require a unit to obtain additional staff depending upon the number of assigned options classes and associated order flow.

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Section 25. Floor Allocation

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(F) Notwithstanding the first sentence of Options 8, Section 25(a)(1), neither Supplementary Material .02 to Options 8, Section 30 concerning precedence based on the size of bids on parity, nor Supplementary Material .03 to Options 8, Section 30 (insofar as it incorporates those provisions by reference) shall apply to the allocation of orders covered by paragraph (c).

(i) In order to facilitate timely tape reporting of trades, it is the duty of the persons identified below to allocate, match and time stamp trades executed in open outcry and to submit the matched trade tickets to an Exchange Data Entry Technician ("DET") located on the trading floor immediately upon execution. When executing trades electronically, it is also the duty of the persons identified below to enter and

submit trade information to the Trading System using the Options Floor Based Management System.

a. in a trade involving a floor broker, the floor broker shall so do, provided that a floor broker may delegate this responsibility to the Lead Market Maker (or a[n assistant] back-up to the Lead Market Maker under the Lead Market Maker's direct supervision) if the Lead Market Maker agrees to accept such responsibility, and, in the event of such delegation, the Lead Market Maker (or a[n assistant] back-up to the Lead Market Maker under the Lead Market Maker direct supervision) shall do so:

b. in all other cases where the Lead Market Maker is a participant (i.e., where there is no floor broker), the Lead Market Maker (or a[n assistant] back-up to the Lead Market Maker under the Lead Market Maker's direct supervision) shall do so;

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Section 39. Option Minor Rule Violations and Order and Decorum Regulations

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E-2 Allocation, Time Stamping, Matching and Access to Matched Trades

(a) In order to facilitate timely tape reporting of trades, it is the duty of the persons identified below to allocate, match and time stamp trades executed in open outcry and to submit the matched trade tickets to an Exchange Data Entry Technician ("DET") located on the trading floor immediately upon execution. When executing trades electronically, it is also the duty of the persons identified below to enter and submit trade information to the Trading System using the Options Floor Based Management System. Trades executed electronically via the System and through the Options Floor Based Management System are automatically trade reported without further action required by executing parties:

(i) in a trade involving a Floor Broker, the Floor Broker shall do so, provided that a Floor Broker may delegate this responsibility to the Lead Market Maker (or a[n assistant] back-up to the Lead Market Maker under the Lead Market Maker's direct supervision) if the Specialist agrees to accept such responsibility, and, in the event of such delegation, the Lead Market Maker (or a[n assistant] back-up to the Lead Market Maker under the Lead Market Maker's direct supervision) shall do so:

(ii) in all other cases where the Lead Market Maker is a participant (i.e., where there is no Floor Broker), the Lead Market Maker (or a[n assistant] back-up to the Lead Market Maker under the Specialist's direct supervision) shall do so.

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