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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2024 - * 75

Amendment No. (req. for Amendments *)

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"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<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
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

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

Amend the Definitions of Class and Series

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * 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 of 1934, Nasdaq PHLX LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 12/20/2024


(Title *)

By John Zecca

EVP and Chief Legal Officer

(Name *)

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

 Date: 2024.12.20 15:07:33 -05'00'

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information *

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SR-Phlx-2024-75 19b-4.docx

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 *

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SR-Phlx-2024-75 Exhibit 1.docx

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 Advanced 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 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

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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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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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 Sent As Paper Document

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

SR-Phlx-2024-75 Exhibit 5.docx

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 Options 1, Section 1, Applicability, Definitions and References, to amend the definitions of “class” and “series”.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1.

(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 (the “Board”). 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 amend Options 1, Section 1, Applicability, Definitions and References.

The Exchange proposes to amend the definition of class at Options 1, Section 1(b)(9) to align the definition of class which currently states,

The term “class” means, when applied to options, all option contracts of the same type and style covering the same underlying interest; provided, however, that OTC options and listed options that would otherwise constitute a single class of options shall constitute separate classes. When applied to futures, the term “class” means all futures covering the same underlying interest.

The Exchange proposes to amend the defined term “class” to “class of options” and align the defined term to the description of “class of options” on Nasdaq ISE, LLC (“ISE”), Nasdaq GEMX, LLC (“GEMX”), and Nasdaq MRX, LLC (“MRX”) at Options 1, Section 1(a)(8). As proposed, a “class of options” means all options contracts covering the same underlying security.

The current definition of class corresponds to the definition as used when options trading began on the Exchange in the 1970s. However, as options trading grew, the term class became understood to include both puts and calls. This is consistent with current industry use of the term “class” and use of the term class throughout the Exchange’s Rules. Because a class is generally understood to include both puts and calls, which are types of series, not separate classes, the current definition of class is outdated. As described above, options with the same exercise price and expiration date that are puts constitute one series, and options with the same exercise price and expiration date that are

calls constitute another series. This is also the case for options classes with different styles (i.e., American or European).³ Options with different styles are considered to be one class. The proposed definition is a more accurate definition of what options constitute a class today on the Exchange.

Additionally, the Exchange notes that the rule text related to OTC options and listed options which provides, "...provided, however, that OTC options⁴ and listed options that would otherwise constitute a single class of options shall constitute separate classes" is being removed because the Exchange's options rules apply to listed options only. The Exchange's options rules do not mention OTC options except with respect to equity option hedge exemptions in Options 9, Section 13(l). There is no necessity to describe OTC options in the definition of class as the Exchange's listing and trading and other options rules apply to listed options only which overlie securities. Further, the Exchange notes that the rule text related to futures which provides, "[w]hen applied to futures, the term "class" means all futures covering the same underlying interest" is being removed because the Exchange's options rules do not apply to futures. While futures are mentioned in contexts that apply to related instruments, Phlx's listing and trading and other options rules apply to listed options only which overlie securities. The Exchange believes there is no necessity to retain this language.

³ The term "American Option" or "American Style Option" mean an option contract that may be exercised at any time from its commencement until its expiration. See Options 1, Section 1(b)(3). The term "European Option" or "European Style Option" mean an option contract that can be exercised only on the day it expires. See Phlx Options 1, Section 1(b)(15).

⁴ An OTC option contract is defined as an option contract that is not listed on a National Securities Exchange or cleared at The Options Clearing Corporation. See Phlx Options 9, Section 13(l)(9).

This proposed rule change would harmonize Phlx’s definition to ISE, GEMX and MRX.⁵ Further, the Miami International Securities Exchange, LLC (“MIAX”), MEMX LLC (“MEMX”), Cboe Exchange, Inc. (“Cboe”), and NYSE Arca, Inc. (“NYSE Arca”) all have definitions for class of options that are substantially similar.⁶

The Exchange also proposes to amend the definition of series at Options 1, Section 1(b)(51) to align the definition of series which currently states,

The term “series,” when used in respect of options, means all option contracts of the same class and having otherwise identical terms including exercise price (or, in the case of delayed start option contracts that do not yet have a set exercise price, the same exercise price setting formula and exercise price setting date), expiration date, unit of trading and, in the case of futures options or commodity options, series marker if any; and when used in respect of futures, means all futures of the same class having identical terms, including the same maturity date and series marker, if any.

The Exchange proposes to amend the defined term “series” to “series of options” and align the defined term to the description of “series of options” on ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46). As proposed, a “series of options” means all options contracts of the same class having the same exercise price and expiration date. Series of options consists of options of the same type. This is consistent with current industry use of the term “series” and use of the term series throughout the Exchange’s Rules. The proposed text would create a more accurate definition of what options constitute a series today on the Exchange.

⁵ See ISE, GEMX and MRX Options 1, Section 1(a)(8).

⁶ MIAX’s Rule 100 provides that the terms “class of options” or “option class” mean all option contracts covering the same underlying security. MEMX Rule 16.1 provides that the terms “class” or “class of options” mean all options contracts with the same unit of trading covering the same underlying security or index. Cboe Rule 1.1 provides that the term “class” means all option contracts with the same unit of trading covering the same underlying security or index. NYSE Arca Rule 1.1 provides that the term “class of options” or “class” means all series of options, both puts and calls, overlying the same underlying security.

Additionally, the Exchange is removing the reference to delayed start option contracts in the rule text which provides, "... (or, in the case of delayed start option contracts that do not yet have a set exercise price, the same exercise price setting formula and exercise price setting date)" as that language is not relevant. Today, Phlx's options rules do not reference delayed start option contracts. The Exchange notes that OCC's By-Laws defines the term "delayed start option" to mean "an option that at the commencement of trading does not have an exercise price but instead has an exercise price setting formula pursuant to which the exercise price will be fixed on the exercise price setting date for the series of delayed start option" at Article 1, Section 1 of the OCC's By-Laws. Phlx does not define a similar term in its options rules or utilizing such options. For these reasons, that parenthetical is being eliminated.

This proposed rule change would harmonize Phlx's definition to ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46). The proposed change would be similar to definitions for series of options at MIAX, MEMX, Cboe, and NYSE Arca.⁷

b. Statutory Basis

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

⁷ MIAX's Rule 100 provides that the term "series of options" means all option contracts of the same class having the same exercise price and expiration date. MEMX Rule 16.1 provides that the terms "series" or "series of options" mean all options contracts of the same class that are the same type of options and have the same exercise price and expiration date. Cboe Rule 1.1 provides that the terms "series" and "series of options" mean all option contracts of the same class that are the same type of option and have the same exercise price and expiration date. NYSE Arca Rule 1.1 provides that the term "series of options," "options series," or "series" means all options contracts of the same class of options having the same expiration date and expiration price, and the same unit of trading.

Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ 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.

Amending the definition of “class” at Options 1, Section 1(b)(9) and the definition of “series” at Options 1, Section 1(b)(51) is consistent with the Act as the new terms will provide a more accurate description of these terms that is consistent with current industry use and use of the terms throughout the Exchange’s Rules. A class is generally understood to include both puts and calls, which are types of series, not separate classes, the current definition of class is outdated. Also, options with different styles are considered to be the same class. Removing references to OTC is consistent with the Act because the Exchange’s options rules apply to listed options only. The Exchange’s options rules do not mention OTC options except with respect to equity option hedge exemptions in Options 9, Section 13(l). There is no necessity to describe OTC options in the definition of class as the Exchange’s listing and trading and other options rules apply to listed options only which overlie securities. Further, removing references to futures is consistent with the Act because the Exchange’s options rules do not apply to futures. While futures are mentioned in contexts that apply to related instruments, Phlx’s listing and trading and other options rules apply to listed options only which overlie securities. The Exchange believes there is no necessity to retain this language. This proposed rule change would harmonize Phlx’s definition to ISE, GEMX

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

and MRX.¹⁰ Further, MIAAX, MEMX, Cboe, and NYSE Arca all have definitions for class of options that are substantially similar.¹¹

The Exchange proposes to amend the defined term “series” to “series of options” and align the defined term to the description of “series of options” on ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46) is consistent with the Act. As proposed, a “series of options” means all options contracts of the same class having the same exercise price and expiration date. Series of options consists of options of the same type. This is consistent with current industry use of the term “series” and use of the term series throughout the Exchange’s Rules. The proposed text would create a more accurate definition of what options constitute a series today on the Exchange. Removing references to delayed start option contracts in the rule text is consistent with the Act because that language is not relevant. Today, Phlx’s options rules do not reference delayed start option contracts. The Exchange notes that OCC’s By-Laws defines the term “delayed start option” to mean “an option that at the commencement of trading does not have an exercise price but instead has an exercise price setting formula pursuant to which the exercise price will be fixed on the exercise price setting date for the series of delayed start option” at Article 1, Section 1 of the OCC’s By-Laws. Phlx does not define a similar term in its options rules or utilizing such options. For these reasons, that parenthetical is being eliminated. This proposed rule change would harmonize

¹⁰ See ISE, GEMX and MRX Options 1, Section 1(a)(8).

¹¹ MIAAX’s Rule 100 provides that the terms “class of options” or “option class” mean all option contracts covering the same underlying security. MEMX Rule 16.1 provides that the terms “class” or “class of options” mean all options contracts with the same unit of trading covering the same underlying security or index. Cboe Rule 1.1 provides that the term “class” means all option contracts with the same unit of trading covering the same underlying security or index. NYSE Arca Rule 1.1 provides that the term “class of options” or “class” means all series of options, both puts and calls, overlying the same underlying security.

Phlx's definition to ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46). The proposed change would be similar to definitions for series of options at MIAX, MEMX, Cboe, and NYSE Arca.¹²

4. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange's proposal to amend the definition of "class" at Options 1, Section 1(b)(9) and the definition of "series" at Options 1, Section 1(b)(51) do not impose an undue burden on intra-market competition as the use of these terms would apply uniformly to all Phlx member organizations.

The Exchange's proposal to amend the definition of "class" at Options 1, Section 1(b)(9) does not impose an undue burden on intermarket competition as other exchanges have similar definitions.¹³ The Exchange's proposal to amend the definition of "series" at Options 1, Section 1(b)(51) does not impose an undue burden on intermarket

¹² MIAX's Rule 100 provides that the term "series of options" means all option contracts of the same class having the same exercise price and expiration date. MEMX Rule 16.1 provides that the terms "series" or "series of options" mean all options contracts of the same class that are the same type of options and have the same exercise price and expiration date. Cboe Rule 1.1 provides that the terms "series" and "series of options" mean all option contracts of the same class that are the same type of option and have the same exercise price and expiration date. NYSE Arca Rule 1.1 provides that the term "series of options," "options series," or "series" means all options contracts of the same class of options having the same expiration date and expiration price, and the same unit of trading.

¹³ ISE, GEMX and MRX definitions of "class of options" at Options 1, Section 1(a)(8) are identical. Also, MIAX, MEMX, Cboe, and NYSE Arca, Inc. all have definitions for class of options that are substantially similar. MIAX's Rule 100 provides that the terms "class of options" or "option class" mean all option contracts covering the same underlying security. MEMX Rule 16.1 provides that the terms "class" or "class of options" mean all options contracts with the same unit of trading covering the same underlying security or index. Cboe Rule 1.1 provides that the term "class" means all option contracts with the same unit of trading covering the same underlying security or index. NYSE Arca Rule 1.1 provides that the term "class of options" or "class" means all series of options, both puts and calls, overlying the same underlying security.

competition as other exchanges have similar definitions.¹⁴

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)¹⁵ of the Act and Rule 19b-4(f)(6) thereunder¹⁶ 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 proposal does not significantly affect the protection of investors or the public interest, because amending the definition of “class” at Options 1, Section

¹⁴ ISE, GEMX and MRX definitions of “series of options” at ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46) are identical. Also, MIAX, MEMX, Cboe, and NYSE Arca, Inc. all have definitions for series of options that are substantially similar. MIAX’s Rule 100 provides that the term “series of options” means all option contracts of the same class having the same exercise price and expiration date. MEMX Rule 16.1 provides that the terms “series” or “series of options” mean all options contracts of the same class that are the same type of options and have the same exercise price and expiration date. Cboe Rule 1.1 provides that the terms “series” and “series of options” mean all option contracts of the same class that are the same type of option and have the same exercise price and expiration date. NYSE Arca Rule 1.1 provides that the term “series of options,” “options series,” or “series” means all options contracts of the same class of options having the same expiration date and expiration price, and the same unit of trading.

¹⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁶ 17 CFR 240.19b-4(f)(6).

1(b)(9) and the definition of “series” at Options 1, Section 1(b)(51) will provide a more accurate description of these terms that is consistent with current industry use and use of the terms throughout the Exchange’s Rules. A class is generally understood to include both puts and calls, which are types of series, not separate classes, the current definition of class is outdated. Removing references to OTC is consistent with the Act because the Exchange’s rules apply to listed options only. The Exchange’s rules do not mention OTC options except with respect to equity option hedge exemptions in Options 9, Section 13(l). There is no necessity to describe OTC options in the definition of class as the Exchange’s listing and trading and other rules apply to listed options only which overlie securities. Further, removing references to futures is consistent with the Act because the Exchange’s rules do not apply to futures. While futures are mentioned in contexts that apply to related instruments, Phlx’s listing and trading and other rules apply to listed options only which overlie securities. The Exchange believes there is no necessity to retain this language. This proposed rule change would harmonize Phlx’s definition to ISE, GEMX and MRX.¹⁷ Further, MIAX, MEMX, Cboe, and NYSE Arca all have definitions for class of options that are substantially similar.¹⁸ The Exchange proposes to amend the defined term “series” to “series of options” and align the defined term to the description of “series of options” on ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46) does not significantly affect the protection of

¹⁷ See ISE, GEMX and MRX Options 1, Section 1(a)(8).

¹⁸ MIAX’s Rule 100 provides that the terms “class of options” or “option class” mean all option contracts covering the same underlying security. MEMX Rule 16.1 provides that the terms “class” or “class of options” mean all options contracts with the same unit of trading covering the same underlying security or index. Cboe Rule 1.1 provides that the term “class” means all option contracts with the same unit of trading covering the same underlying security or index. NYSE Arca Rule 1.1 provides that the term “class of options” or “class” means all series of options, both puts and calls, overlying the same underlying security.

investors or the public interest. As proposed, a “series of options” means all options contracts of the same class having the same exercise price and expiration date. Series of options consists of options of the same type. This is consistent with current industry use of the term “series” and use of the term series throughout the Exchange’s Rules. The proposed text would create a more accurate definition of what options constitute a series today on the Exchange. Removing references to delayed start option contracts in the rule text is consistent with the Act because that language is not relevant. Today, Phlx’s rules do not reference delayed start option contracts. The Exchange notes that OCC’s By-Laws defines the term “delayed start option” to mean “an option that at the commencement of trading does not have an exercise price but instead has an exercise price setting formula pursuant to which the exercise price will be fixed on the exercise price setting date for the series of delayed start option” at Article 1, Section 1 of the OCC’s By-Laws. Phlx does not define a similar term in its rules or utilizing such options. For these reasons, that parenthetical is being eliminated. This proposed rule change would harmonize Phlx’s definition to ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46). The proposed change would be similar to definitions for series of options at MIAX, MEMX, Cboe, and NYSE Arca.¹⁹

¹⁹ MIAX’s Rule 100 provides that the term “series of options” means all option contracts of the same class having the same exercise price and expiration date. MEMX Rule 16.1 provides that the terms “series” or “series of options” mean all options contracts of the same class that are the same type of options and have the same exercise price and expiration date. Cboe Rule 1.1 provides that the terms “series” and “series of options” mean all option contracts of the same class that are the same type of option and have the same exercise price and expiration date. NYSE Arca Rule 1.1 provides that the term “series of options,” “options series,” or “series” means all options contracts of the same class of options having the same expiration date and expiration price, and the same unit of trading.

The Exchange’s proposal does not impose an undue burden on competition as the definitions of “series of options” and “class of options” would apply uniformly to all member organizations.

Furthermore, Rule 19b-4(f)(6)(iii)²⁰ 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.

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

The Exchange’s proposal to amend the definition of “class” at Options 1, Section 1(b)(9) would align the rule text identically to ISE, GEMX and MRX definitions of “class of options” at Options 1, Section 1(a)(8). The Exchange’s proposal to amend the definition of “series” at Options 1, Section 1(b)(51) would align the rule text identically to ISE, GEMX and MRX definitions of “series of options” at ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46).

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. Rule text of proposed rules.

²⁰ 17 CFR 240.19b-4(f)(6)(iii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-Phlx-2024-75)

December __, 2024

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Definitions of “Class” and “Series”

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 December 20, 2024, 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 Options 1, Section 1, Applicability, Definitions and References, to amend the definitions of “class” and “series”.

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/phlx/rules>, 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 amend Options 1, Section 1, Applicability, Definitions and References.

The Exchange proposes to amend the definition of class at Options 1, Section 1(b)(9) to align the definition of class which currently states,

The term “class” means, when applied to options, all option contracts of the same type and style covering the same underlying interest; provided, however, that OTC options and listed options that would otherwise constitute a single class of options shall constitute separate classes. When applied to futures, the term “class” means all futures covering the same underlying interest.

The Exchange proposes to amend the defined term “class” to “class of options” and align the defined term to the description of “class of options” on Nasdaq ISE, LLC (“ISE”), Nasdaq GEMX, LLC (“GEMX”), and Nasdaq MRX, LLC (“MRX”) at Options 1, Section 1(a)(8). As proposed, a “class of options” means all options contracts covering the same underlying security.

The current definition of class corresponds to the definition as used when options trading began on the Exchange in the 1970s. However, as options trading grew, the term

class became understood to include both puts and calls. This is consistent with current industry use of the term “class” and use of the term class throughout the Exchange’s Rules. Because a class is generally understood to include both puts and calls, which are types of series, not separate classes, the current definition of class is outdated. As described above, options with the same exercise price and expiration date that are puts constitute one series, and options with the same exercise price and expiration date that are calls constitute another series. This is also the case for options classes with different styles (i.e., American or European).³ Options with different styles are considered to be one class. The proposed definition is a more accurate definition of what options constitute a class today on the Exchange.

Additionally, the Exchange notes that the rule text related to OTC options and listed options which provides, “...provided, however, that OTC options⁴ and listed options that would otherwise constitute a single class of options shall constitute separate classes” is being removed because the Exchange’s options rules apply to listed options only. The Exchange’s options rules do not mention OTC options except with respect to equity option hedge exemptions in Options 9, Section 13(l). There is no necessity to describe OTC options in the definition of class as the Exchange’s listing and trading and other options rules apply to listed options only which overlie securities. Further, the Exchange notes that the rule text related to futures which provides, “[w]hen applied to futures, the term “class” means all futures covering the same underlying interest” is being

³ The term “American Option” or “American Style Option” mean an option contract that may be exercised at any time from its commencement until its expiration. See Options 1, Section 1(b)(3). The term “European Option” or “European Style Option” mean an option contract that can be exercised only on the day it expires. See Phlx Options 1, Section 1(b)(15).

⁴ An OTC option contract is defined as an option contract that is not listed on a National Securities Exchange or cleared at The Options Clearing Corporation. See Phlx Options 9, Section 13(l)(9).

removed because the Exchange's options rules do not apply to futures. While futures are mentioned in contexts that apply to related instruments, Phlx's listing and trading and other options rules apply to listed options only which overlie securities. The Exchange believes there is no necessity to retain this language.

This proposed rule change would harmonize Phlx's definition to ISE, GEMX and MRX.⁵ Further, the Miami International Securities Exchange, LLC ("MIAX"), MEMX LLC ("MEMX"), Cboe Exchange, Inc. ("Cboe"), and NYSE Arca, Inc. ("NYSE Arca") all have definitions for class of options that are substantially similar.⁶

The Exchange also proposes to amend the definition of series at Options 1, Section 1(b)(51) to align the definition of series which currently states,

The term "series," when used in respect of options, means all option contracts of the same class and having otherwise identical terms including exercise price (or, in the case of delayed start option contracts that do not yet have a set exercise price, the same exercise price setting formula and exercise price setting date), expiration date, unit of trading and, in the case of futures options or commodity options, series marker if any; and when used in respect of futures, means all futures of the same class having identical terms, including the same maturity date and series marker, if any.

The Exchange proposes to amend the defined term "series" to "series of options" and align the defined term to the description of "series of options" on ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46). As proposed, a "series of options" means all options contracts of the same class having the same exercise

⁵ See ISE, GEMX and MRX Options 1, Section 1(a)(8).

⁶ MIAX's Rule 100 provides that the terms "class of options" or "option class" mean all option contracts covering the same underlying security. MEMX Rule 16.1 provides that the terms "class" or "class of options" mean all options contracts with the same unit of trading covering the same underlying security or index. Cboe Rule 1.1 provides that the term "class" means all option contracts with the same unit of trading covering the same underlying security or index. NYSE Arca Rule 1.1 provides that the term "class of options" or "class" means all series of options, both puts and calls, overlying the same underlying security.

price and expiration date. Series of options consists of options of the same type. This is consistent with current industry use of the term “series” and use of the term series throughout the Exchange’s Rules. The proposed text would create a more accurate definition of what options constitute a series today on the Exchange.

Additionally, the Exchange is removing the reference to delayed start option contracts in the rule text which provides, “...(or, in the case of delayed start option contracts that do not yet have a set exercise price, the same exercise price setting formula and exercise price setting date)” as that language is not relevant. Today, Phlx’s options rules do not reference delayed start option contracts. The Exchange notes that OCC’s By-Laws defines the term “delayed start option” to mean “an option that at the commencement of trading does not have an exercise price but instead has an exercise price setting formula pursuant to which the exercise price will be fixed on the exercise price setting date for the series of delayed start option” at Article 1, Section 1 of the OCC’s By-Laws. Phlx does not define a similar term in its options rules or utilizing such options. For these reasons, that parenthetical is being eliminated.

This proposed rule change would harmonize Phlx’s definition to ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46). The proposed change would be similar to definitions for series of options at MIAX, MEMX, Cboe, and NYSE Arca.⁷

⁷ MIAX’s Rule 100 provides that the term “series of options” means all option contracts of the same class having the same exercise price and expiration date. MEMX Rule 16.1 provides that the terms “series” or “series of options” mean all options contracts of the same class that are the same type of options and have the same exercise price and expiration date. Cboe Rule 1.1 provides that the terms “series” and “series of options” mean all option contracts of the same class that are the same type of option and have the same exercise price and expiration date. NYSE Arca Rule 1.1 provides that the term “series of options,” “options series,” or “series” means all options contracts of the same class of options having the same expiration date and expiration price, and the same unit of trading.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ 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.

Amending the definition of “class” at Options 1, Section 1(b)(9) and the definition of “series” at Options 1, Section 1(b)(51) is consistent with the Act as the new terms will provide a more accurate description of these terms that is consistent with current industry use and use of the terms throughout the Exchange’s Rules. A class is generally understood to include both puts and calls, which are types of series, not separate classes, the current definition of class is outdated. Also, options with different styles are considered to be the same class. Removing references to OTC is consistent with the Act because the Exchange’s options rules apply to listed options only. The Exchange’s options rules do not mention OTC options except with respect to equity option hedge exemptions in Options 9, Section 13(l). There is no necessity to describe OTC options in the definition of class as the Exchange’s listing and trading and other options rules apply to listed options only which overlie securities. Further, removing references to futures is consistent with the Act because the Exchange’s options rules do not apply to futures. While futures are mentioned in contexts that apply to related instruments, Phlx’s listing and trading and other options rules apply to listed options only

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

which overlie securities. The Exchange believes there is no necessity to retain this language. This proposed rule change would harmonize Phlx's definition to ISE, GEMX and MRX.¹⁰ Further, MIAAX, MEMX, Cboe, and NYSE Arca all have definitions for class of options that are substantially similar.¹¹

The Exchange proposes to amend the defined term "series" to "series of options" and align the defined term to the description of "series of options" on ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46) is consistent with the Act. As proposed, a "series of options" means all options contracts of the same class having the same exercise price and expiration date. Series of options consists of options of the same type. This is consistent with current industry use of the term "series" and use of the term series throughout the Exchange's Rules. The proposed text would create a more accurate definition of what options constitute a series today on the Exchange. Removing references to delayed start option contracts in the rule text is consistent with the Act because that language is not relevant. Today, Phlx's options rules do not reference delayed start option contracts. The Exchange notes that OCC's By-Laws defines the term "delayed start option" to mean "an option that at the commencement of trading does not have an exercise price but instead has an exercise price setting formula pursuant to which the exercise price will be fixed on the exercise price setting date for the series of delayed start option" at Article 1, Section 1 of the OCC's By-Laws. Phlx does

¹⁰ See ISE, GEMX and MRX Options 1, Section 1(a)(8).

¹¹ MIAAX's Rule 100 provides that the terms "class of options" or "option class" mean all option contracts covering the same underlying security. MEMX Rule 16.1 provides that the terms "class" or "class of options" mean all options contracts with the same unit of trading covering the same underlying security or index. Cboe Rule 1.1 provides that the term "class" means all option contracts with the same unit of trading covering the same underlying security or index. NYSE Arca Rule 1.1 provides that the term "class of options" or "class" means all series of options, both puts and calls, overlying the same underlying security.

not define a similar term in its options rules or utilizing such options. For these reasons, that parenthetical is being eliminated. This proposed rule change would harmonize Phlx's definition to ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46). The proposed change would be similar to definitions for series of options at MIAX, MEMX, Cboe, and NYSE Arca.¹²

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange's proposal to amend the definition of "class" at Options 1, Section 1(b)(9) and the definition of "series" at Options 1, Section 1(b)(51) do not impose an undue burden on intra-market competition as the use of these terms would apply uniformly to all Phlx member organizations.

The Exchange's proposal to amend the definition of "class" at Options 1, Section 1(b)(9) does not impose an undue burden on intermarket competition as other exchanges have similar definitions.¹³ The Exchange's proposal to amend the definition of "series"

¹² MIAX's Rule 100 provides that the term "series of options" means all option contracts of the same class having the same exercise price and expiration date. MEMX Rule 16.1 provides that the terms "series" or "series of options" mean all options contracts of the same class that are the same type of options and have the same exercise price and expiration date. Cboe Rule 1.1 provides that the terms "series" and "series of options" mean all option contracts of the same class that are the same type of option and have the same exercise price and expiration date. NYSE Arca Rule 1.1 provides that the term "series of options," "options series," or "series" means all options contracts of the same class of options having the same expiration date and expiration price, and the same unit of trading.

¹³ ISE, GEMX and MRX definitions of "class of options" at Options 1, Section 1(a)(8) are identical. Also, MIAX, MEMX, Cboe, and NYSE Arca, Inc. all have definitions for class of options that are substantially similar. MIAX's Rule 100 provides that the terms "class of options" or "option class" mean all option contracts covering the same underlying security. MEMX Rule 16.1 provides that the terms "class" or "class of options" mean all options contracts with the same unit of trading covering the same underlying security or index. Cboe Rule 1.1 provides that the term "class" means all option contracts with the same unit of trading covering the same underlying security or index. NYSE Arca Rule 1.1 provides that the term "class of options" or "class" means all series of options, both puts and calls, overlying the same underlying security.

at Options 1, Section 1(b)(51) does not impose an undue burden on intermarket competition as other exchanges have similar definitions.¹⁴

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 Act¹⁵ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁶

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

¹⁴ ISE, GEMX and MRX definitions of “series of options” at ISE at Options 1, Section 1(a)(47), GEMX and MRX at Options 1, Section 1(a)(46) are identical. Also, MIAX, MEMX, Cboe, and NYSE Arca, Inc. all have definitions for series of options that are substantially similar. MIAX’s Rule 100 provides that the term “series of options” means all option contracts of the same class having the same exercise price and expiration date. MEMX Rule 16.1 provides that the terms “series” or “series of options” mean all options contracts of the same class that are the same type of options and have the same exercise price and expiration date. Cboe Rule 1.1 provides that the terms “series” and “series of options” mean all option contracts of the same class that are the same type of option and have the same exercise price and expiration date. NYSE Arca Rule 1.1 provides that the term “series of options,” “options series,” or “series” means all options contracts of the same class of options having the same expiration date and expiration price, and the same unit of trading.

¹⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁶ 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-Phlx-2024-75 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-2024-75. This file number should be included on the subject line if email 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 website (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-Phlx-2024-75 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Sherry R. Haywood,

Assistant Secretary.

¹⁷ 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 1 General Provisions

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Section 1. Applicability, Definitions and References

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(b) **Definitions.** The following terms as used in the Rules shall, unless the context otherwise indicates, have the meanings herein specified:

* * * * *

(9) The term “**class of options**” means[, when applied to options,] all options contracts [of the same type and style] covering the same underlying security. [interest; provided, however, that OTC options and listed options that would otherwise constitute a single class of options shall constitute separate classes. When applied to futures, the term “class” means all futures covering the same underlying interest.]

* * * * *

(51) The term “**series of options**[,]”[when used in respect of options,] means all options contracts of the same class [and]having [otherwise identical terms including]the same exercise price [(or, in the case of delayed start option contracts that do not yet have a set exercise price, the same exercise price setting formula and exercise price setting date),]and expiration date.[, unit of trading and, in the case of futures options or commodity options, series marker if any; and when used in respect of futures, means all futures of the same class having identical terms, including the same maturity date and series marker, if any.]

* * * * *