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Page 1 of * <input type="text" value="32"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2019"/> - * <input type="text" value="22"/> Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by Nasdaq MRX, 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"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

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

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

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 * Last Name *
 Title *
 E-mail *
 Telephone * 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 By

(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 *

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

Exhibit 1 - Notice of Proposed Rule Change *

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

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

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

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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

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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 MRX, LLC (“MRX” 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 3, Section 17, which sets forth the Exchange’s optional Kill Switch risk protection.

A notice of the proposed rule change for publication in the Federal Register is at Exhibit 1 and the text of the amended Exchange Rule is at 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 (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.

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

Sun Kim
Associate General Counsel
Nasdaq, Inc.
212-231-5106

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 expand the optional Kill Switch risk protection the Exchange offers to Members today to allow cancellation and restriction of quotes, orders, or both. This new functionality will be offered alongside the existing port Kill Switch (as defined below), which currently allows Members to cancel and restrict only their orders. The Exchange also proposes to amend its rules to add more detail on how the port Kill Switch operates today. As discussed further below, no functional changes to the existing port Kill Switch functionality are being contemplated by this rule change; rather, the Exchange is providing more detailed information on the port Kill Switch so that the rule is more aligned with the current operation of existing functionality.

Port Kill Switch

Today, Kill Switch provides Members with a risk management tool for immediate control of their order activity. Specifically as set forth in Options 3, Section 17(a), Kill Switch enables Members to initiate a message³ to the System⁴ to promptly cancel orders and restrict entry of new orders until re-entry has been enabled. Members may submit a request to the System to cancel orders for that Member. The System will send an

³ Today, Members are able to send a message to the Exchange to initiate the Kill Switch. A Kill Switch message may be sent through the Exchange order entry ports FIX or OTTO (hereinafter, referred to as "port Kill Switch").

⁴ The term "System" means the electronic system operated by the Exchange that receives and disseminates quotes, executes orders and reports transactions. See Options 1, Section 1(a)(48).

automated message to the Member when a Kill Switch request has been processed by the Exchange's System.

If orders are cancelled by the Member utilizing the Kill Switch, it will result in the removal of all orders for the Member.⁵ The Member is unable to enter additional orders until the Member has made a verbal request to the Exchange and Exchange staff has set a re-entry indicator to enable re-entry.⁶ Once enabled for re-entry, the System will send a Re-entry Notification Message to the Member. The applicable Clearing Member for that Member will also be notified of the re-entry into the System after orders are cancelled as a result of the Kill Switch, provided the Clearing Member has requested to receive such notification.

The Exchange now proposes to provide additional detail regarding the port Kill Switch described above to better align the Rule with existing system functionality. The Exchange proposes to clarify that Members may submit a Kill Switch request to the System through FIX or OTTO for the Member's requested identifier (i.e., badge⁷ or

⁵ Members may not cancel orders by symbol. Of note, Opening Sweeps are also cancelled. An Opening Sweep is a Market Maker order submitted for execution against eligible interest in the system during the Opening Process pursuant to Options 3, Section 8(b)(1). See Options 3, Section 7(u). Consistent with current auction functionality, PIM auction orders and responses are not cancelled. PIM is the Exchange's price improvement mechanism. See Options 3, Section 13. Other auctions orders and responses are cancelled.

⁶ The Member must directly and verbally contact the Exchange to request the re-set.

⁷ A "badge" shall mean an account number, which may contain letters and/or numbers, assigned to Market Makers. A Market Maker account may be associated with multiple badges. See Options 1, Section 1(a)(4).

mnemonic⁸) (“Identifier”) on a user level (i.e., by individual badge or mnemonic).⁹ As such, Members using the port Kill Switch today may elect to cancel all existing orders and restrict entry of additional orders by individual badge/mnemonic (i.e., Identifier).¹⁰

While the current rule text does not specifically provide for the ability to cancel and restrict orders by individual Identifier(s), the existing port Kill Switch functionality operates in this manner today. Accordingly, the Exchange proposes to replace the existing language in section (a)(1) with the following to make clear how the System operates today: “A Member may submit a request to the System through FIX or OTTO to cancel all existing orders and restrict entry of additional orders for the requested Identifier(s) on a user level on the Exchange.”

As noted above, the Exchange is not proposing any functional modifications to the existing port Kill Switch; rather, all of the changes proposed above are to provide additional specificity as to how the port Kill Switch operates today for greater

⁸ A "mnemonic" shall mean an acronym comprised of letters and/or numbers assigned to Electronic Access Members. An Electronic Access Member account may be associated with multiple mnemonics. See Options 1, Section 1(a)(22).

⁹ Using the port Kill Switch, Members are only able to cancel and restrict their order activity at the user level (i.e., by individual Identifier). As discussed below, the new Kill Switch enhancement will offer Members the additional option of submitting requests at the user level or group level—in other words, by individual Identifier or for a group of Identifiers. See, e.g., Nasdaq Options Market (“NOM”) Chapter VI, Sec. 6(d), which sets forth NOM’s Kill Switch rule, for similar terminology related to Identifier.

¹⁰ Thus, for example, an Electronic Access Member that is configured to trade on the Exchange in mnemonics ABCD1, ABCD2, and ABCD3 would submit a separate request for each mnemonic using the port Kill Switch, which would result in the cancellation of all existing orders and the restriction of additional orders associated with mnemonics ABCD1, ABCD2, and ABCD3 on the Exchange.

consistency between the rule text and the operation of the System. Lastly, the Exchange proposes to delete the last sentence of (a)(1), which is redundant with the re-entry provisions already set forth in the Rule.¹¹

GUI Kill Switch

The Exchange also proposes to add new functionality that would enhance the current Kill Switch risk protection for orders to apply to both orders and quotes.¹² The Exchange will provide this enhancement through a separate graphical user interface (hereinafter, “GUI Kill Switch”) as an alternative way for Members to manage their trading activity.¹³ As discussed below, the new GUI Kill Switch will be functionally similar to the existing port Kill Switch, with the most notable difference being the added ability to cancel all existing quotes and block the entry of additional quotes. For instance, similar to the port Kill Switch today, Members will be able to use the GUI Kill Switch for requested Identifier(s) on the Exchange. Accordingly, Options 3, Section 17 will be amended to reflect that the Exchange will offer the proposed GUI Kill Switch alongside the existing port Kill Switch. In particular, paragraph (a) will provide that Kill Switch would enable Members to initiate a message to the System to promptly cancel and restrict their quote and order activity on the Exchange, as further described in the Rule. The Exchange also proposes to specify that Members may submit a Kill Switch request to the

¹¹ See Options 3, Section 17(a)(2). As discussed below, this section will be renumbered as section (a)(3) under this proposal.

¹² As discussed more fully later in the filing, the proposed Kill Switch enhancement will also have additional features to allow Members to kill quotes and/or orders for requested Identifier(s) on either a user or group level.

¹³ The GUI Kill Switch will be available to all Members through a web-based interface.

System for certain Identifier(s) on either a user or group level. Permissible groups must reside within a single Member firm.¹⁴

As discussed above, while the proposed language in section (a) on applying Kill Switch for requested Identifier(s) on the Exchange is new, these features exist today with respect to the port Kill Switch. Accordingly, the proposed changes in (a) with respect to order cancellation and restriction clarify the current manner in which the port Kill Switch operates today, and also extends the rule to encompass the proposed GUI Kill Switch.

The Exchange further proposes to describe the new GUI Kill Switch functionality in new section (a)(2).¹⁵ Specifically, the Exchange proposes to add the following:

“Alternatively, a Member may submit a request to the System through a graphical user interface to cancel all existing, and restrict entry of additional, quotes and/or orders for the requested Identifier(s) on either a user or group level on the Exchange.”¹⁶

The Exchange believes that the proposed enhancement to the Kill Switch will offer Members an alternative means to control their exposure, through a separate interface which is not dependent on the integrity of the member’s own systems, should the member experience a failure. Because the proposed enhancement will be provided

¹⁴ For example, a permissible group could include all badges associated with a Market Maker. Member would be able to set up these groups beforehand to include all or some of the Identifiers associated with the Member firm so that a GUI Kill Switch request could apply to this pre-defined group.

¹⁵ In light of adopting this new section, current (a)(2) will be renumbered as (a)(3).

¹⁶ Members may not cancel orders and quotes by symbol using the GUI Kill Switch, similar to how orders may not be cancelled by symbol through the port Kill Switch today. Also similar to the port Kill Switch, Opening Sweeps will be cancelled upon initiating the GUI Kill Switch. Lastly, all auction orders and responses other than PIM orders/responses will similarly be cancelled. See supra note 5.

through a separate user interface instead of one of the Exchange's order entry ports, the Exchange believes it would promote transparency in its Rules to separately define these alternative methods in (a)(1) and (a)(2). As noted above, the proposed enhancement is similar to the existing port Kill Switch that allows Members to control their order activity but has additional optionality, most significantly the ability to cancel and restrict quotes, orders, or both. Furthermore, Members can set up the GUI Kill Switch so they are able to control their quote and/or order activity for an individual Identifier or a group of Identifiers,¹⁷ as compared to the port Kill Switch which is limited to individual Identifiers only.¹⁸

The re-entry provisions in section (a)(3) will also be amended throughout to reflect that the re-entry process after initiating the GUI Kill Switch will be identical to the current process for the port Kill Switch. Specifically, once a Member initiates either the port or GUI Kill Switch, the Member will be unable to enter additional orders, and/or quotes if pursuant to the GUI Kill Switch, for the affected Identifier(s) until the Member

¹⁷ As noted above, NOM Chapter VI, Sec. 6(d) has similar terminology in its Kill Switch rule. See supra note 9. Furthermore, the proposed GUI Kill Switch is functionally similar to NOM's Kill Switch in that both are offered through a separate graphical user interface and have similar features, including the ability for members to apply Kill Switch for certain identifiers on a user or group level.

¹⁸ As an example of the GUI Kill Switch, assume a Market Maker is configured to trade on the Exchange in badges 123A, 123B, and 123C, with pre-defined settings that include all three badges as one group to which the GUI Kill Switch will apply. The Market Maker could then submit a GUI Kill Switch request to restrict their quote activity for the pre-defined group, resulting in the cancellation of all existing quotes and restriction of additional quotes associated with badges 123A, 123B, and 123C on the Exchange. The same Market Maker could instead opt to submit a GUI Kill Switch request for only badge 123A to cancel all existing quotes and restrict entry of additional quotes for that individual badge. The proposed functionality therefore allows the Member to have more optionality as compared to the existing mechanism.

has made a verbal request to the Exchange and Exchange staff has set a re-entry indicator to enable re-entry.¹⁹ Lastly, the Exchange proposes to make a related change in the last sentence of section (a)(3) to delete the reference to order cancellation, and also provide that the “applicable Clearing Member will be notified of such re-entry...” for better readability.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act²⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act²¹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by enhancing the risk protections available to Members. The proposal promotes policy goals of the Commission which has highlighted the need for execution venues, exchange and non-exchange alike, to enhance risk protection tools and other mechanisms to decrease risk and increase stability.²²

¹⁹ Identical to re-entry for the port Kill Switch, Members must directly and verbally contact the Exchange to request the re-set if they initiate the GUI Kill Switch. See supra note 6 with accompanying text.

²⁰ 15 U.S.C. 78f(b).

²¹ 15 U.S.C. 78f(b)(5).

²² See, e.g., Securities Exchange Act Release Nos. 69077 (March 8, 2013), 78 FR 18083 (March 25, 2013) (Proposing Release) at 18090-91; and 73639 (November 19, 2014), 79 FR 72251 (December 5, 2014) (Adopting Release) at 72253 (highlighting that quality standards, testing and improved error response mechanisms are among the issues needing very thoughtful and focused attention in today’s securities markets).

The proposed GUI Kill Switch, similar to the existing port Kill Switch, is designed to protect Members in the event the Member encounters a situation, like a systems issue, for which they would need to withdraw temporarily from the market. The individual Member firm benefits of enhanced risk protections, including Kill Switch mechanisms, flow downstream to counter-parties both at the Exchange and at other options exchanges, thereby increasing systemic protections as well. Additionally, because the Exchange will continue offer this optional risk tool to all Members, the Exchange believes that it will encourage liquidity generally and remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest. To the extent the Exchange's proposal provides Members with greater control over their quotes and orders, and allows them to remove quotes and cancel orders in an appropriate manner, then the proposal may encourage Members to provide liquidity on MRX and thus contribute to fair and orderly markets in a manner that protects the public interest and protects investors.

As noted above, this optional risk tool will continue to be offered to all Members. The Exchange further represents that its proposal will continue to operate consistently with the firm quote obligations of a broker-dealer pursuant to Rule 602 of Regulation NMS and that the functionality is not mandatory. Specifically, any interest that is executable against a Member's orders or quotes that are received²³ by the Exchange, prior to the time the Kill Switch is processed by the System, will automatically execute at the price up to the Member's size. The Kill Switch message will be accepted by the

²³ The time of receipt for an order or quote is the time such message is processed by the Exchange's order book.

System in the order of receipt in the queue and will be processed in that order so that interest that is already accepted into the System will be processed prior to the Kill Switch message. Messages sent to the System by the Kill Switch are processed in the order they are received by the matching engine, through the same queuing mechanism that a quote or order message is processed. The Exchange also notes that the latency profile of the GUI Kill Switch is comparable to the latency profile of killing interest through a message based Kill Switch from a Member's order entry port.

A Market Maker's obligation to provide two-sided quotes on a daily basis is not diminished by the removal of such quotes and/or orders by utilizing the Kill Switch. Market Makers that utilize Kill Switch will not be relieved of the obligation to provide intra-day quotes pursuant to Options 2, Section 5(e), nor will it prohibit the Exchange from taking disciplinary action against a Market Maker for failing to meet its quoting obligations each trading day.

The proposed changes will also permit Clearing Members that clear transactions on a Member's behalf pursuant to a Letter of Guarantee²⁴ to receive information regarding the Member's re-entry into the System after the Member initiates the GUI Kill Switch, and makes the verbal request to the Exchange for re-entry pursuant to Options 3, Section 17(a). As is the case today with the port Kill Switch, because such Clearing Members guarantee all transactions on behalf of that Member and therefore bear the risk associated with those transactions, the Exchange believes that it is appropriate for the Clearing Member to receive information regarding re-entry into the System after quotes

²⁴ A Letter of Guarantee obligates the issuing Clearing Member to accept financial responsibilities for all Exchange transactions made by the guaranteed Member. See Options 6, Section 4(a) and (b).

and/or orders are cancelled as a result of the GUI Kill Switch, should the Clearing Member request such notification. This information may help provide Clearing Members with greater control and flexibility in managing the risk associated with the Member's activity.

Lastly, the Exchange believes that the proposed changes to add greater specificity with respect to how the port Kill Switch currently operates (i.e., that a Kill Switch request sent through FIX or OTTO will result in the cancellation of all existing orders, and restrict entry of additional orders for the requested Identifier(s) on a user level on the Exchange) will promote greater transparency around the existing Kill Switch, and will serve to better align the Exchange's rules with current System functionality, to the benefit of investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposal does not impose an undue burden on intramarket competition because all Members may avail themselves of the Kill Switch. The Kill Switch risk protection is optional. The proposed rule change to expand this risk protection to encompass quote cancellation and restriction will further protect Members in the event the Member is suffering from a systems issue or from the occurrence of unusual or unexpected market activity that would require them to withdraw from the market in order to protect

investors. The Exchange notes other exchanges, including the Exchange's affiliated options markets, similarly offer Kill Switch protections for both quotes and orders.²⁵

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)²⁶ of the Act and Rule 19b-4(f)(6) thereunder²⁷ 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. As discussed above, similar Kill Switch protections for quotes and orders have been previously approved by the Commission and are available on other options exchanges,

²⁵ The proposed GUI Kill Switch protections are similar to those available on its affiliated options markets Nasdaq BX ("BX"), NOM, and Nasdaq Phlx ("Phlx"). See BX Chapter VI, Section 6(d); NOM Chapter VI, Section 6(d); and Phlx Rule 1019(b). See also CBOE Exchange Rule 5.34(c)(7) and BOX Options Exchange Rule 7280(b) for other options exchanges that offer Kill Switch protections for quotes and orders.

²⁶ 15 U.S.C. 78s(b)(3)(A).

²⁷ 17 CFR 240.19b-4(f)(6).

including its affiliates.²⁸ As such, the Exchange believes that this proposed rule change does not raise any new, unique or substantive issues from those raised by the protections available on other options exchanges.

Furthermore, the proposed enhancements to the Kill Switch tool will enable Members to better manage their risk. In particular, the proposed GUI Kill Switch, similar to the existing port Kill Switch, is designed to protect Members in the event the Member encounters a situation like a systems issue for which they would need to withdraw temporarily from the market, and expands the existing functionality that cancels and restricts orders to include quotes. The proposal does not significantly affect the protection of investors or the public interest because the proposal is an additional safeguard for Members. The proposed protections will allow Members to have greater control over their quotes and orders. To the extent the Exchange's proposal provides Members with greater control over their quotes and orders, and allows them to remove quotes and cancel orders in an appropriate manner, then the proposal may encourage Members to provide liquidity on the Exchange and thus contribute to fair and orderly markets in a manner that protects the public interest and protects investors.

The proposal does not impose any significant burden on competition because all Members may avail themselves of the Kill Switch, which functionality is optional. The proposed rule change to expand this risk protection to encompass quote cancellation and restriction will further protect Members in the event the Member is suffering from a

²⁸ See supra note 27. See also Securities Exchange Act Release Nos. 76116 (October 8, 2015), 80 FR 62146 (October 15, 2015) (SR-BX-2015-050); 76123 (October 9, 2015), 80 FR 62591 (October 16, 2015) (SR-NASDAQ-2015-096); and 79244 (November 4, 2016), 81 FR 79063 (November 10, 2016) (SR-CBOE-2016-053).

systems issue or from the occurrence of unusual or unexpected market activity that would require the Member to remove their quotes when it is in the best interest of the market as a whole.

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange requests that the Commission waive the five business day pre-filing requirement, as set forth in Rule 19b-4(f)(6).

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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 respectfully requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange may implement this functionality as soon as possible, which will benefit all market participants. Waiver of the operative delay is consistent with the protection of investors and the public interest because the proposed rule change is designed to provide Members with greater control over their quotes and orders, which may reduce disruptive

trading events to the benefit of all investors and the public interest. As noted above, the Exchange's proposal does not raise any new, unique or substantive issues from those raised by the protections available on other options exchanges.

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

The proposed GUI Kill Switch protections are similar to the Kill Switch protections currently offered by the Exchange's affiliates BX, NOM, and Phlx.²⁹ The only difference between the Exchange's rule and the rules of its affiliates is to account for the alternative methods of initiating Kill Switch on the Exchange (via port or GUI). BX, NOM, and Phlx do not offer Kill Switch at the order entry port level like the Exchange, and thus their members may only initiate a Kill Switch message through a separate user interface (i.e., at the GUI level).

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 for publication in the Federal Register.
5. Proposed rule text.

²⁹ See BX Chapter VI, Section 6(d); NOM Chapter VI, Section 6(d); and Phlx Rule 1019(b).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-MRX-2019-22)

October __, 2019

Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Options 3, Section 17, Which Sets Forth the Exchanges Optional Kill Switch Risk Protection

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 October 15, 2019, Nasdaq MRX, LLC (“MRX” 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 3, Section 17, which sets forth the Exchange’s optional Kill Switch risk protection.

The text of the proposed rule change is available on the Exchange’s Website at <http://nasdaqmrx.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to expand the optional Kill Switch risk protection the Exchange offers to Members today to allow cancellation and restriction of quotes, orders, or both. This new functionality will be offered alongside the existing port Kill Switch (as defined below), which currently allows Members to cancel and restrict only their orders. The Exchange also proposes to amend its rules to add more detail on how the port Kill Switch operates today. As discussed further below, no functional changes to the existing port Kill Switch functionality are being contemplated by this rule change; rather, the Exchange is providing more detailed information on the port Kill Switch so that the rule is more aligned with the current operation of existing functionality.

Port Kill Switch

Today, Kill Switch provides Members with a risk management tool for immediate control of their order activity. Specifically as set forth in Options 3, Section 17(a), Kill Switch enables Members to initiate a message³ to the System⁴ to promptly cancel orders and restrict entry of new orders until re-entry has been enabled. Members may submit a

³ Today, Members are able to send a message to the Exchange to initiate the Kill Switch. A Kill Switch message may be sent through the Exchange order entry ports FIX or OTTO (hereinafter, referred to as "port Kill Switch").

⁴ The term "System" means the electronic system operated by the Exchange that receives and disseminates quotes, executes orders and reports transactions. See Options 1, Section 1(a)(48).

request to the System to cancel orders for that Member. The System will send an automated message to the Member when a Kill Switch request has been processed by the Exchange's System.

If orders are cancelled by the Member utilizing the Kill Switch, it will result in the removal of all orders for the Member.⁵ The Member is unable to enter additional orders until the Member has made a verbal request to the Exchange and Exchange staff has set a re-entry indicator to enable re-entry.⁶ Once enabled for re-entry, the System will send a Re-entry Notification Message to the Member. The applicable Clearing Member for that Member will also be notified of the re-entry into the System after orders are cancelled as a result of the Kill Switch, provided the Clearing Member has requested to receive such notification.

The Exchange now proposes to provide additional detail regarding the port Kill Switch described above to better align the Rule with existing system functionality. The Exchange proposes to clarify that Members may submit a Kill Switch request to the System through FIX or OTTO for the Member's requested identifier (i.e., badge⁷ or

⁵ Members may not cancel orders by symbol. Of note, Opening Sweeps are also cancelled. An Opening Sweep is a Market Maker order submitted for execution against eligible interest in the system during the Opening Process pursuant to Options 3, Section 8(b)(1). See Options 3, Section 7(u). Consistent with current auction functionality, PIM auction orders and responses are not cancelled. PIM is the Exchange's price improvement mechanism. See Options 3, Section 13. Other auctions orders and responses are cancelled.

⁶ The Member must directly and verbally contact the Exchange to request the re-set.

⁷ A "badge" shall mean an account number, which may contain letters and/or numbers, assigned to Market Makers. A Market Maker account may be associated with multiple badges. See Options 1, Section 1(a)(4).

mnemonic⁸) (“Identifier”) on a user level (i.e., by individual badge or mnemonic).⁹ As such, Members using the port Kill Switch today may elect to cancel all existing orders and restrict entry of additional orders by individual badge/mnemonic (i.e., Identifier).¹⁰

While the current rule text does not specifically provide for the ability to cancel and restrict orders by individual Identifier(s), the existing port Kill Switch functionality operates in this manner today. Accordingly, the Exchange proposes to replace the existing language in section (a)(1) with the following to make clear how the System operates today: “A Member may submit a request to the System through FIX or OTTO to cancel all existing orders and restrict entry of additional orders for the requested Identifier(s) on a user level on the Exchange.”

As noted above, the Exchange is not proposing any functional modifications to the existing port Kill Switch; rather, all of the changes proposed above are to provide additional specificity as to how the port Kill Switch operates today for greater consistency between the rule text and the operation of the System. Lastly, the Exchange

⁸ A "mnemonic" shall mean an acronym comprised of letters and/or numbers assigned to Electronic Access Members. An Electronic Access Member account may be associated with multiple mnemonics. See Options 1, Section 1(a)(22).

⁹ Using the port Kill Switch, Members are only able to cancel and restrict their order activity at the user level (i.e., by individual Identifier). As discussed below, the new Kill Switch enhancement will offer Members the additional option of submitting requests at the user level or group level—in other words, by individual Identifier or for a group of Identifiers. See, e.g., Nasdaq Options Market (“NOM”) Chapter VI, Sec. 6(d), which sets forth NOM’s Kill Switch rule, for similar terminology related to Identifier.

¹⁰ Thus, for example, an Electronic Access Member that is configured to trade on the Exchange in mnemonics ABCD1, ABCD2, and ABCD3 would submit a separate request for each mnemonic using the port Kill Switch, which would result in the cancellation of all existing orders and the restriction of additional orders associated with mnemonics ABCD1, ABCD2, and ABCD3 on the Exchange.

proposes to delete the last sentence of (a)(1), which is redundant with the re-entry provisions already set forth in the Rule.¹¹

GUI Kill Switch

The Exchange also proposes to add new functionality that would enhance the current Kill Switch risk protection for orders to apply to both orders and quotes.¹² The Exchange will provide this enhancement through a separate graphical user interface (hereinafter, “GUI Kill Switch”) as an alternative way for Members to manage their trading activity.¹³ As discussed below, the new GUI Kill Switch will be functionally similar to the existing port Kill Switch, with the most notable difference being the added ability to cancel all existing quotes and block the entry of additional quotes. For instance, similar to the port Kill Switch today, Members will be able to use the GUI Kill Switch for requested Identifier(s) on the Exchange. Accordingly, Options 3, Section 17 will be amended to reflect that the Exchange will offer the proposed GUI Kill Switch alongside the existing port Kill Switch. In particular, paragraph (a) will provide that Kill Switch would enable Members to initiate a message to the System to promptly cancel and restrict their quote and order activity on the Exchange, as further described in the Rule. The Exchange also proposes to specify that Members may submit a Kill Switch request to the

¹¹ See Options 3, Section 17(a)(2). As discussed below, this section will be renumbered as section (a)(3) under this proposal.

¹² As discussed more fully later in the filing, the proposed Kill Switch enhancement will also have additional features to allow Members to kill quotes and/or orders for requested Identifier(s) on either a user or group level.

¹³ The GUI Kill Switch will be available to all Members through a web-based interface.

System for certain Identifier(s) on either a user or group level. Permissible groups must reside within a single Member firm.¹⁴

As discussed above, while the proposed language in section (a) on applying Kill Switch for requested Identifier(s) on the Exchange is new, these features exist today with respect to the port Kill Switch. Accordingly, the proposed changes in (a) with respect to order cancellation and restriction clarify the current manner in which the port Kill Switch operates today, and also extends the rule to encompass the proposed GUI Kill Switch.

The Exchange further proposes to describe the new GUI Kill Switch functionality in new section (a)(2).¹⁵ Specifically, the Exchange proposes to add the following:

“Alternatively, a Member may submit a request to the System through a graphical user interface to cancel all existing, and restrict entry of additional, quotes and/or orders for the requested Identifier(s) on either a user or group level on the Exchange.”¹⁶

The Exchange believes that the proposed enhancement to the Kill Switch will offer Members an alternative means to control their exposure, through a separate interface which is not dependent on the integrity of the member’s own systems, should the member experience a failure. Because the proposed enhancement will be provided

¹⁴ For example, a permissible group could include all badges associated with a Market Maker. Member would be able to set up these groups beforehand to include all or some of the Identifiers associated with the Member firm so that a GUI Kill Switch request could apply to this pre-defined group.

¹⁵ In light of adopting this new section, current (a)(2) will be renumbered as (a)(3).

¹⁶ Members may not cancel orders and quotes by symbol using the GUI Kill Switch, similar to how orders may not be cancelled by symbol through the port Kill Switch today. Also similar to the port Kill Switch, Opening Sweeps will be cancelled upon initiating the GUI Kill Switch. Lastly, all auction orders and responses other than PIM orders/responses will similarly be cancelled. See supra note 5.

through a separate user interface instead of one of the Exchange's order entry ports, the Exchange believes it would promote transparency in its Rules to separately define these alternative methods in (a)(1) and (a)(2). As noted above, the proposed enhancement is similar to the existing port Kill Switch that allows Members to control their order activity but has additional optionality, most significantly the ability to cancel and restrict quotes, orders, or both. Furthermore, Members can set up the GUI Kill Switch so they are able to control their quote and/or order activity for an individual Identifier or a group of Identifiers,¹⁷ as compared to the port Kill Switch which is limited to individual Identifiers only.¹⁸

The re-entry provisions in section (a)(3) will also be amended throughout to reflect that the re-entry process after initiating the GUI Kill Switch will be identical to the current process for the port Kill Switch. Specifically, once a Member initiates either the port or GUI Kill Switch, the Member will be unable to enter additional orders, and/or quotes if pursuant to the GUI Kill Switch, for the affected Identifier(s) until the Member

¹⁷ As noted above, NOM Chapter VI, Sec. 6(d) has similar terminology in its Kill Switch rule. See supra note 9. Furthermore, the proposed GUI Kill Switch is functionally similar to NOM's Kill Switch in that both are offered through a separate graphical user interface and have similar features, including the ability for members to apply Kill Switch for certain identifiers on a user or group level.

¹⁸ As an example of the GUI Kill Switch, assume a Market Maker is configured to trade on the Exchange in badges 123A, 123B, and 123C, with pre-defined settings that include all three badges as one group to which the GUI Kill Switch will apply. The Market Maker could then submit a GUI Kill Switch request to restrict their quote activity for the pre-defined group, resulting in the cancellation of all existing quotes and restriction of additional quotes associated with badges 123A, 123B, and 123C on the Exchange. The same Market Maker could instead opt to submit a GUI Kill Switch request for only badge 123A to cancel all existing quotes and restrict entry of additional quotes for that individual badge. The proposed functionality therefore allows the Member to have more optionality as compared to the existing mechanism.

has made a verbal request to the Exchange and Exchange staff has set a re-entry indicator to enable re-entry.¹⁹ Lastly, the Exchange proposes to make a related change in the last sentence of section (a)(3) to delete the reference to order cancellation, and also provide that the “applicable Clearing Member will be notified of such re-entry...” for better readability.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act²⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act²¹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by enhancing the risk protections available to Members. The proposal promotes policy goals of the Commission which has highlighted the need for execution venues, exchange and non-exchange alike, to enhance risk protection tools and other mechanisms to decrease risk and increase stability.²²

¹⁹ Identical to re-entry for the port Kill Switch, Members must directly and verbally contact the Exchange to request the re-set if they initiate the GUI Kill Switch. See supra note 6 with accompanying text.

²⁰ 15 U.S.C. 78f(b).

²¹ 15 U.S.C. 78f(b)(5).

²² See, e.g., Securities Exchange Act Release Nos. 69077 (March 8, 2013), 78 FR 18083 (March 25, 2013) (Proposing Release) at 18090-91; and 73639 (November 19, 2014), 79 FR 72251 (December 5, 2014) (Adopting Release) at 72253 (highlighting that quality standards, testing and improved error response mechanisms are among the issues needing very thoughtful and focused attention in today’s securities markets).

The proposed GUI Kill Switch, similar to the existing port Kill Switch, is designed to protect Members in the event the Member encounters a situation, like a systems issue, for which they would need to withdraw temporarily from the market. The individual Member firm benefits of enhanced risk protections, including Kill Switch mechanisms, flow downstream to counter-parties both at the Exchange and at other options exchanges, thereby increasing systemic protections as well. Additionally, because the Exchange will continue offer this optional risk tool to all Members, the Exchange believes that it will encourage liquidity generally and remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest. To the extent the Exchange's proposal provides Members with greater control over their quotes and orders, and allows them to remove quotes and cancel orders in an appropriate manner, then the proposal may encourage Members to provide liquidity on MRX and thus contribute to fair and orderly markets in a manner that protects the public interest and protects investors.

As noted above, this optional risk tool will continue to be offered to all Members. The Exchange further represents that its proposal will continue to operate consistently with the firm quote obligations of a broker-dealer pursuant to Rule 602 of Regulation NMS and that the functionality is not mandatory. Specifically, any interest that is executable against a Member's orders or quotes that are received²³ by the Exchange, prior to the time the Kill Switch is processed by the System, will automatically execute at the price up to the Member's size. The Kill Switch message will be accepted by the System in the order of receipt in the queue and will be processed in that order so that

²³ The time of receipt for an order or quote is the time such message is processed by the Exchange's order book.

interest that is already accepted into the System will be processed prior to the Kill Switch message. Messages sent to the System by the Kill Switch are processed in the order they are received by the matching engine, through the same queuing mechanism that a quote or order message is processed. The Exchange also notes that the latency profile of the GUI Kill Switch is comparable to the latency profile of killing interest through a message based Kill Switch from a Member's order entry port.

A Market Maker's obligation to provide two-sided quotes on a daily basis is not diminished by the removal of such quotes and/or orders by utilizing the Kill Switch. Market Makers that utilize Kill Switch will not be relieved of the obligation to provide intra-day quotes pursuant to Options 2, Section 5(e), nor will it prohibit the Exchange from taking disciplinary action against a Market Maker for failing to meet its quoting obligations each trading day.

The proposed changes will also permit Clearing Members that clear transactions on a Member's behalf pursuant to a Letter of Guarantee²⁴ to receive information regarding the Member's re-entry into the System after the Member initiates the GUI Kill Switch, and makes the verbal request to the Exchange for re-entry pursuant to Options 3, Section 17(a). As is the case today with the port Kill Switch, because such Clearing Members guarantee all transactions on behalf of that Member and therefore bear the risk associated with those transactions, the Exchange believes that it is appropriate for the Clearing Member to receive information regarding re-entry into the System after quotes and/or orders are cancelled as a result of the GUI Kill Switch, should the Clearing

²⁴ A Letter of Guarantee obligates the issuing Clearing Member to accept financial responsibilities for all Exchange transactions made by the guaranteed Member. See Options 6, Section 4(a) and (b).

Member request such notification. This information may help provide Clearing Members with greater control and flexibility in managing the risk associated with the Member's activity.

Lastly, the Exchange believes that the proposed changes to add greater specificity with respect to how the port Kill Switch currently operates (i.e., that a Kill Switch request sent through FIX or OTTO will result in the cancellation of all existing orders, and restrict entry of additional orders for the requested Identifier(s) on a user level on the Exchange) will promote greater transparency around the existing Kill Switch, and will serve to better align the Exchange's rules with current System functionality, to the benefit of investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposal does not impose an undue burden on intramarket competition because all Members may avail themselves of the Kill Switch. The Kill Switch risk protection is optional. The proposed rule change to expand this risk protection to encompass quote cancellation and restriction will further protect Members in the event the Member is suffering from a systems issue or from the occurrence of unusual or unexpected market activity that would require them to withdraw from the market in order to protect investors. The Exchange notes other exchanges, including the Exchange's affiliated options markets, similarly offer Kill Switch protections for both quotes and orders.²⁵

²⁵ The proposed GUI Kill Switch protections are similar to those available on its affiliated options markets Nasdaq BX ("BX"), NOM, and Nasdaq Phlx ("Phlx"). See BX Chapter VI, Section 6(d); NOM Chapter VI, Section 6(d); and Phlx Rule 1019(b). See also CBOE Exchange Rule 5.34(c)(7) and BOX Options Exchange

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 Act²⁶ and subparagraph (f)(6) of Rule 19b-4 thereunder.²⁷

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.

Rule 7280(b) for other options exchanges that offer Kill Switch protections for quotes and orders.

²⁶ 15 U.S.C. 78s(b)(3)(A)(iii).

²⁷ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MRX-2019-22 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-MRX-2019-22. 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-MRX-2019-22 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.²⁸

Jill M. Peterson
Assistant Secretary

²⁸ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

Nasdaq MRX Rules

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Options 3 Options Trading Rules

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Section 17. Kill Switch

(a) Kill Switch enables Members to initiate a message to the System to promptly cancel [orders] and restrict their quote and order activity on the Exchange, as described in sections (a)(1) and (a)(2) below[entry of new orders until re-entry has been enabled]. Members may submit a Kill Switch request to the System [to cancel orders for that Member]for certain identifier(s) (“Identifier”) on either a user or group level. Permissible groups must reside within a single Member firm. The System will send an automated message to the Member when a Kill Switch request has been processed by the Exchange's System.

(1) A Member may submit a request to the System through FIX or OTTO to cancel all existing orders and restrict entry of additional[If orders are cancelled by the Member utilizing the Kill Switch, it will result in the cancellation of all] orders for the [Member]requested Identifier(s) on a user level on the Exchange[The Member will be unable to enter additional orders until re-entry has been enabled pursuant to Options 3, Section 4].

(2) Alternatively, a Member may submit a request to the System through a graphical user interface to cancel all existing, and restrict entry of additional, quotes and/or orders for the requested Identifier(s) on either a user or group level on the Exchange.

(2)(3) [After orders are cancelled by the Member utilizing]Once a Member initiates the Kill Switch pursuant to section (a)(1) or (a)(2) above, the Member will be unable to enter additional orders, and/or quotes if pursuant to section (a)(2) above, for the affected Identifier(s) until the Member has made a verbal request to the Exchange and Exchange staff has set a re-entry indicator to enable re-entry. Once enabled for re-entry, the System will send a Re-entry Notification Message to the Member. The applicable Clearing Member also will be notified of such[the] re-entry into the System [after orders are cancelled as a result of the Kill Switch], provided the Clearing Member has requested to receive such notification.

* * * * *