

Required fields are shown with yellow backgrounds and asterisks.

Filing by Nasdaq PHLX LLC
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

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

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

Description

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

A proposal to amend the Exchanges Pricing Schedule at Section II

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 * Brett	Last Name * Kitt
Title * Senior Associate General Counsel	
E-mail * Brett.Kitt@nasdaq.com	
Telephone * (301) 978-8132	Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 04/17/2018	Executive Vice President and General Counsel
By Edward S. Knight	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
(Name *)	

edward.knight@nasdaq.com

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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add Remove View

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

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

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

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

Add Remove View

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

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

Add Remove View

Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Nasdaq PHLX LLC (“Phlx” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend the Exchange’s Pricing Schedule at Section II to clarify fees applicable to correcting “as/of” or “reversal” trades, as described further below.

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

The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”) on September 19, 2017. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

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

Brett M. Kitt
Senior Associate General Counsel
Nasdaq, Inc.
(301) 978-8132.

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 purpose of the proposed rule change is to amend Section II of the Exchange's Pricing Schedule to clarify that when the Exchange processes an "as/of" or "reversal" trade at the request of a member to correct clearing, the new trade will incur the "Floor" category of Options Transaction Charges for the correction, even if the underlying trade that the Exchange is correcting was electronic, because the Exchange must process all corrections manually and in accordance with procedures applicable to Floor trades.

Pursuant to its Policy for Amended Billing Information, which is set forth in the introduction to the Pricing Schedule, the Exchange entertains written requests (with supporting documentation) that its members submit to correct or reverse erroneous trades after the date when such trades clear. The corrections that the Exchange makes in response to such requests are to errors that the requesting member or other members associated with the trade have made with respect to executed orders. These errors are not Exchange errors.

Provided that the Exchange determines that the correction or reversal request is valid, the Exchange must process the correction or reversal manually, using a paper trade ticket, even if the underlying trade that the Exchange is correcting or reversing was electronic in nature. The Exchange presently does not possess a means of electronically correcting or reversing a trade after settlement date of the trade. Accordingly, even if the Exchange originally charged a member the "Electronic" rate for the Options Transaction Charge that applied to the underlying trade, the Exchange will charge the member the "Floor" rate to correct or reverse the trade. Although this is the existing practice of the

Exchange, the Exchange now proposes to make this practice explicit in its Pricing Schedule. Specifically, the Exchange proposes adding a footnote 8 to Section II of the Pricing Schedule stating that “Floor transaction fees will apply to any ‘as of’ or ‘reversal’ adjustments for manually processed trades originally submitted electronically or through FBMS.”³

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that it is reasonable to charge members an Options Transactions Charge to correct or reverse erroneous trades because processing such corrections and reversals requires the Exchange to execute additional options transactions. Moreover, the trade corrections and reversals at issue occur at the request of members and pursuant to errors for which members, rather than the Exchange, are responsible. Additionally, it is reasonable for the Exchange to charge members the “Floor” rate to correct or reverse trades – including to correct or reverse both Floor-based

³ For the avoidance of doubt, the Exchange notes that the transaction fee that the Exchange charges to reverse or correct a trade is in addition to, rather than in lieu of, the transaction fee charged to execute the underlying trade that is subject to reversal or correction.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4) and (5).

and electronic trades – because the Exchange must process all such requests manually, using trade tickets, and in accordance with its Floor-based procedures.

The Exchange believes that its proposal is an equitable allocation and is not unfairly discriminatory because the “Floor” rate that the Exchange charges for corrections or reversals is reflective of the Exchange’s manual process of correcting or reversing a trade rather than the nature of the underlying trade that the Exchange is correcting or reversing. Moreover, the Exchange notes that it will assess the same fee to all similarly situated members that request corrections or reversals.

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. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the proposed changes to the Pricing Schedule compensate the Exchange for effecting transactions, using a manual process, that are necessary to correct or reverse trades at a member’s request. The proposals also clarify and render more transparent the existing practices of the Exchange with respect to its fees for processing

member requests for corrections and reversals. The Exchange does not intend or expect that the proposals will have any impact on inter-market or intra-market competition.

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)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,⁶ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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

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

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.
5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-Phlx-2018-31)

April __, 2018

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Exchange's Pricing Schedule at Section II to Clarify Fees Applicable to Correcting "As/of" or "Reversal" trades

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹, and Rule 19b-4 thereunder,² notice is hereby given that on April 17, 2018, Nasdaq PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's Pricing Schedule at Section II to clarify fees applicable to correcting "as/of" or "reversal" trades, as described below. The text of the proposed rule change is available on the Exchange's Website at <http://nasdaqphlx.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

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

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 purpose of the proposed rule change is to amend Section II of the Exchange's Pricing Schedule to clarify that when the Exchange processes an "as/of" or "reversal" trade at the request of a member to correct clearing, the new trade will incur the "Floor" category of Options Transaction Charges for the correction, even if the underlying trade that the Exchange is correcting was electronic, because the Exchange must process all corrections manually and in accordance with procedures applicable to Floor trades.

Pursuant to its Policy for Amended Billing Information, which is set forth in the introduction to the Pricing Schedule, the Exchange entertains written requests (with supporting documentation) that its members submit to correct or reverse erroneous trades after the date when such trades clear. The corrections that the Exchange makes in response to such requests are to errors that the requesting member or other members associated with the trade have made with respect to executed orders. These errors are not Exchange errors.

Provided that the Exchange determines that the correction or reversal request is valid, the Exchange must process the correction or reversal manually, using a paper trade ticket, even if the underlying trade that the Exchange is correcting or reversing was electronic in nature. The Exchange presently does not possess a means of electronically correcting or reversing a trade after settlement date of the trade. Accordingly, even if the

Exchange originally charged a member the “Electronic” rate for the Options Transaction Charge that applied to the underlying trade, the Exchange will charge the member the “Floor” rate to correct or reverse the trade. Although this is the existing practice of the Exchange, the Exchange now proposes to make this practice explicit in its Pricing Schedule. Specifically, the Exchange proposes adding a footnote 8 to Section II of the Pricing Schedule stating that “Floor transaction fees will apply to any ‘as of’ or ‘reversal’ adjustments for manually processed trades originally submitted electronically or through FBMS.”³

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that it is reasonable to charge members an Options Transactions Charge to correct or reverse erroneous trades because processing such corrections and reversals requires the Exchange to execute additional options transactions. Moreover, the trade corrections and reversals at issue occur at the request of members and pursuant to errors for which members, rather than the Exchange, are

³ For the avoidance of doubt, the Exchange notes that the transaction fee that the Exchange charges to reverse or correct a trade is in addition to, rather than in lieu of, the transaction fee charged to execute the underlying trade that is subject to reversal or correction.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4) and (5).

responsible. Additionally, it is reasonable for the Exchange to charge members the “Floor” rate to correct or reverse trades – including to correct or reverse both Floor-based and electronic trades – because the Exchange must process all such requests manually, using trade tickets, and in accordance with its Floor-based procedures.

The Exchange believes that its proposal is an equitable allocation and is not unfairly discriminatory because the “Floor” rate that the Exchange charges for corrections or reversals is reflective of the Exchange’s manual process of correcting or reversing a trade rather than the nature of the underlying trade that the Exchange is correcting or reversing. Moreover, the Exchange notes that it will assess the same fee to all similarly situated members that request corrections or reversals.

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. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the proposed changes to the Pricing Schedule compensate the Exchange for effecting transactions, using a manual process, that are necessary to correct

or reverse trades at a member's request. The proposals also clarify and render more transparent the existing practices of the Exchange with respect to its fees for processing member requests for corrections and reversals. The Exchange does not intend or expect that the proposals will have any impact on inter-market or intra-market competition.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.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.

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:

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-Phlx-2018-31 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-Phlx-2018-31. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-Phlx-2018-31 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.⁷

Eduardo A. Aleman
Assistant Secretary

⁷ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

Nasdaq PHLX Rules

* * * * *

Nasdaq PHLX LLC Pricing Schedule

* * * * *

II. Multiply Listed Options Fees (Includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed)

	Customer Professional	Specialist and Market Maker	Broker-Dealer	Firm					
	Electroni c	Electroni Floor c	Electroni Floor c	Electroni Floor c					
Options Transaction Charge (Penny Pilot)⁶	\$0.00	\$0.48 ²	\$0.25 _g	\$0.22	\$0.35 _g	\$0.48 ²	\$0.25 _g	\$0.48 ^{1, 2}	\$0.25 _g
Options Transaction Charge (non-Penny Pilot)⁷, excluding NDX and NDXP	\$0.00	\$0.75 ³	\$0.25 _g	\$0.25 ⁴	\$0.35 _g	\$0.75 ³	\$0.25 _g	\$0.75 ^{1, 3}	\$0.25 _g
Options Transaction Charge NDX and NDXP⁵	\$0.00	\$0.75	\$0.75 _g	\$0.75	\$0.75 _g	\$0.75	\$0.75 _g	\$0.75	\$0.75 _g
Options Surcharge in BKK	N/A	\$0.10	\$0.10 _g	\$0.10	\$0.10 _g	\$0.10	\$0.10 _g	\$0.10	\$0.10 _g

Cabinet Options	\$0.00	N/A	\$0.10 _g						
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• These fees are per contract.

¹⁻⁷ No change.

⁸Floor transaction fees will apply to any “as of” or “reversal” adjustments for manually processed trades originally submitted electronically or through FBMS.

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