

Required fields are shown with yellow backgrounds and asterisks.

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

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

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

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

**Description**

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

A proposal to amend Phlx Rules at Options 3, Options 4, Options 7, Options 8 and Options 9 to remove references to Mini Options

**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) 496-5292	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 03/05/2020	EVP and Chief Legal Counsel
By John A. Zecca	
(Name *)	



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

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

Add Remove View

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

**Exhibit 1 - Notice of Proposed Rule Change \***

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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 PHLX LLC (“Phlx” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend Phlx Rules at Options 3, Section 3, Minimum Increments, Section 12, Electronic Qualified Contingent Cross Order, Section 13, Price Improvement XL (“PIXL”), Section 14, Complex Orders; Options 4, Section 5, Series of Options Open for Trading; Options 7, Section 1, General Provisions, Section 6, Other Transaction Fees; Options 8, Section 24, Bids And Offers—Premium, Section 30, Crossing, Facilitation and Solicited Orders; and Options 9, Section 13, Position Limits to remove references to Mini Options.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange (the “Board”) on September 25, 2019. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

Angela Saccomandi Dunn  
Principal Associate General Counsel  
Nasdaq, Inc.  
(215) 496-5292

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

a. Purpose

The Exchange proposes to amend Phlx Rules at Options 3, Section 3, Minimum Increments, Section 12, Electronic Qualified Contingent Cross Order, Section 13, Price Improvement XL (“PIXL”), Section 14, Complex Orders; Options 4, Section 5, Series of Options Open for Trading; Options 7, Section 1, General Provisions, Section 6, Other Transaction Fees; Options 8, Section 24, Bids And Offers—Premium, Section 30, Crossing, Facilitation and Solicited Orders; and Options 9, Section 13, Position Limits to remove references to Mini Options.

The Exchange has not listed Mini Options in several years and is proposing to delete listing rules and other ancillary trading rules related to the listing of Mini Options. The Exchange notes that it has no open interest in Mini Options.

Specifically, the Exchange proposes to amend the following Phlx Rules: Options 3, Section 3, Minimum Increments, Section 12, Electronic Qualified Contingent Cross Order, Section 13, Price Improvement XL (“PIXL”), Section 14, Complex Orders; Options 4, Section 5, Series of Options Open for Trading; Options 7, Section 1, General Provisions, Section 6, Other Transaction Fees; Options 8, Section 24, Bids And Offers—Premium, Section 30, Crossing, Facilitation and Solicited Orders; and Options 9, Section 13, Position Limits, to remove references to Mini Options in the System as well as the pricing of Mini Options executed on Phlx.

In the event that the Exchange desires to list Mini Options in the future, it would file a rule change with the Commission to adopt rules to list Mini Options.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>3</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>4</sup> 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.

The Exchange's proposal to removal references to the listing and handling of Mini Options is consistent with the Act because Mini Options have not been listed in several years and thereby removing the references to the rules would render the rules more accurate and reduce potential investor confusion. Also, the Exchange notes that it has no open interest in Mini Options. In the event that the Exchange desires to list Mini Options in the future, it would file a rule change with the Commission to adopt rules to list Mini Options.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal to removal references to the listing and handling of Mini Options do not impose an undue burden on competition. Mini Options have not been

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<sup>3</sup> 15 U.S.C. 78f(b).

<sup>4</sup> 15 U.S.C. 78f(b)(5).

listed in several years. Also, the Exchange notes that it has no open interest in Mini Options.

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)<sup>5</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>6</sup> 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 to remove Mini Options is a non-substantive rule change as Mini Options have not been listed in several years. Removing the references to the rules would render the rules more accurate and reduce potential investor confusion. Also, the Exchange notes that it has no open interest in Mini Options.

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

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<sup>5</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>6</sup> 17 CFR 240.19b-4(f)(6).

subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.

5. Text of the proposed rule change.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_ ; File No. SR-Phlx-2020-08)

March \_\_, 2020

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Certain Phlx Rules to Remove References to Mini Options

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 5, 2020, Nasdaq PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend Phlx Rules at Options 3, Section 3, Minimum Increments, Section 12, Electronic Qualified Contingent Cross Order, Section 13, Price Improvement XL (“PIXL”), Section 14, Complex Orders; Options 4, Section 5, Series of Options Open for Trading; Options 7, Section 1, General Provisions, Section 6, Other Transaction Fees; Options 8, Section 24, Bids And Offers—Premium, Section 30, Crossing, Facilitation and Solicited Orders; and Options 9, Section 13, Position Limits to remove references to Mini Options.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

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

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

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

1. Purpose

The Exchange proposes to amend Phlx Rules at Options 3, Section 3, Minimum Increments, Section 12, Electronic Qualified Contingent Cross Order, Section 13, Price Improvement XL ("PIXL"), Section 14, Complex Orders; Options 4, Section 5, Series of Options Open for Trading; Options 7, Section 1, General Provisions, Section 6, Other Transaction Fees; Options 8, Section 24, Bids And Offers—Premium, Section 30, Crossing, Facilitation and Solicited Orders; and Options 9, Section 13, Position Limits to remove references to Mini Options.

The Exchange has not listed Mini Options in several years and is proposing to delete listing rules and other ancillary trading rules related to the listing of Mini Options. The Exchange notes that it has no open interest in Mini Options.

Specifically, the Exchange proposes to amend the following Phlx Rules: Options 3, Section 3, Minimum Increments, Section 12, Electronic Qualified Contingent Cross

Order, Section 13, Price Improvement XL (“PIXL”), Section 14, Complex Orders; Options 4, Section 5, Series of Options Open for Trading; Options 7, Section 1, General Provisions, Section 6, Other Transaction Fees; Options 8, Section 24, Bids And Offers—Premium, Section 30, Crossing, Facilitation and Solicited Orders; and Options 9, Section 13, Position Limits, to remove references to Mini Options in the System as well as the pricing of Mini Options executed on Phlx.

In the event that the Exchange desires to list Mini Options in the future, it would file a rule change with the Commission to adopt rules to list Mini Options.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>3</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>4</sup> 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.

The Exchange’s proposal to removal references to the listing and handling of Mini Options is consistent with the Act because Mini Options have not been listed in several years and thereby removing the references to the rules would render the rules more accurate and reduce potential investor confusion. Also, the Exchange notes that it has no open interest in Mini Options. In the event that the Exchange desires to list Mini Options in the future, it would file a rule change with the Commission to adopt rules to list Mini Options.

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<sup>3</sup> 15 U.S.C. 78f(b).

<sup>4</sup> 15 U.S.C. 78f(b)(5).

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal to removal references to the listing and handling of Mini Options do not impose an undue burden on competition. Mini Options have not been listed in several years. Also, the Exchange notes that it has no open interest in Mini Options.

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 Act<sup>5</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>6</sup>

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

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<sup>5</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>6</sup> 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.

protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### IV. Solicitation of Comments

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

##### Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2020-08 on the subject line.

##### Paper comments:

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

All submissions should refer to File Number SR-Phlx-2020-08. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the

provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-Phlx-2020-08 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.<sup>7</sup>

J. Matthew DeLesDernier  
Assistant Secretary

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<sup>7</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

*New text is underlined; deleted text is in brackets.*

**Nasdaq PHLX LLC Rules**

\* \* \* \* \*

**Options 3 Options Trading Rules**

\* \* \* \* \*

**Section 3. Minimum Increments**

\* \* \* \* \*

*Supplementary Material to Options 3, Section 3:*

\* \* \* \* \*

[.04 All Mini Option contracts shall have a minimum price variation as set forth in Commentary .13 of Options 4, Section 5.]

\* \* \* \* \*

**Section 12. Electronic Qualified Contingent Cross Order**

(a) A Qualified Contingent Cross Order is comprised of an originating electronic order to buy or sell at least 1,000 contracts[, or 10,000 contracts in the case of Mini Options,] that is identified as being part of a qualified contingent trade, as that term is defined in subsection (3) below, coupled with a contra-side order or orders totaling an equal number of contracts.

\* \* \* \* \*

**Section 13. Price Improvement XL ("PIXL")**

A member may electronically submit for execution an order it represents as agent on behalf of a Public Customer, broker-dealer, or any other entity ("PIXL Order") against principal interest or against any other order (except as provided in sub-paragraph (a)(6) below) it represents as agent (an "Initiating Order") provided it submits the PIXL Order for electronic execution into the PIXL Auction ("Auction") pursuant to this Rule. [The contract size specified herein as applicable to PIXL Orders shall apply to Mini Options.] The execution of a PIXL Order that is comprised of a Public Customer order to buy and a Public Customer to sell at the same price and for the same quantity will be governed by Rule 1087(a) and (f) ("Public Customer-to-Public Customer Cross Order").

\* \* \* \* \*

**Section 14. Complex Orders****(a) Definitions**

(i) Complex Order. For purposes of the electronic trading of Complex Orders, a Complex Order is an order involving the simultaneous purchase and/or sale of two

or more different options series in the same underlying security, priced as a net debit or credit based on the relative prices of the individual components, for the same account, for the purpose of executing a particular investment strategy. [With respect to Mini Options, a Complex Order is an order involving the simultaneous purchase and/or sale of two or more different Mini Options series in the same underlying security, priced as a net debit or credit based on the relative prices of the individual components, for the same account, for the purpose of executing a particular investment strategy. Mini Options may only be part of a Complex Order that includes other Mini Options.]

[Except respecting Mini Options, a] A Complex Order can also be a stock-option order, which is an order to buy or sell a stated number of units of an underlying security (stock or Exchange Traded Fund Share ("ETF")) coupled with the purchase or sale of options contract(s). The underlying security must be the deliverable for the options component of that Complex Order and represent exactly 100 shares per option for regular way delivery. Stock-option orders can only be executed against other stock-option orders and cannot be executed by the System against orders for the individual components. Member organizations may only submit Complex Orders with a stock/ETF component if such orders comply with the Qualified Contingent Trade Exemption from Rule 611(a) of Regulation NMS. Member organizations submitting such Complex Orders with a stock/ETF component represent that such orders comply with the Qualified Contingent Trade Exemption. Members of FINRA or The Nasdaq Stock Market ("Nasdaq") are required to have a Uniform Service Bureau/Executing Broker Agreement ("AGU") with Nasdaq Execution Services, LLC ("NES") in order to trade Complex Orders containing a stock/ETF component; firms that are not members of FINRA or Nasdaq are required to have a Qualified Special Representative ("QSR") arrangement with NES in order to trade Complex Orders containing a stock/ETF component.

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#### **Options 4 Options Listing Rules**

\* \* \* \* \*

#### **Section 5. Series of Options Open for Trading**

\* \* \* \* \*

#### *Supplementary Material to Options 4, Section 5*

\* \* \* \* \*

#### **[.13 Mini Options Contracts**

- (a) After an option class on a stock, Exchange-Traded Fund Share, Trust Issued Receipt, Exchange Traded Note, and other Index Linked Security with a 100 share deliverable has been approved for listing and trading on the Exchange,

series of option contracts with a 10 share deliverable on that stock, Exchange-Traded Fund Share, Trust Issued Receipt, Exchange Traded Note, and other Index Linked Security may be listed for all expirations opened for trading on the Exchange. Mini Option contracts may currently be listed on SPDR S&P 500 ("SPY"), Apple Inc. ("AAPL"), SPDR Gold Trust ("GLD"), Alphabet Inc. ("GOOGL") and Amazon.com Inc. ("AMZN").

- (b) Strike prices for Mini Options shall be set at the same level as for regular options. For example, a call series strike price to deliver 10 shares of stock at \$125 per share has a total deliverable value of \$1250, and the strike price will be set at 125.
- (c) No additional series of Mini Options may be added if the underlying security is trading at \$90 or less. The underlying security must trade above \$90 for five consecutive days prior to listing Mini Options contracts in an additional expiration month.
- (d) The minimum price variation for bids and offers for Mini Options shall be the same as permitted for standard options on the same security. For example, if a security participates in the Penny Pilot Program, Mini Options on the same underlying security may be quoted in the same minimum increments, e.g., \$0.01 for all quotations in series that are quoted at less than \$3 per contract and \$0.05 for all quotations in series that are quoted at \$3 per contract or greater, \$0.01 for all SPY option series, and Mini Options do not separately need to qualify for the Penny Pilot Program.]

\* \* \* \* \*

**Options 7 Pricing Schedule**

**Section 1 General Provisions**

\* \* \* \* \*

**A. Reserved.[Mini Options Fees**

The following fees will apply to Mini Options as specified in Options 4, Section 5 at Supplementary Material .13.

	<b>Customer</b>	<b>Professional</b>	<b>Lead Market Maker and Market Maker</b>	<b>Broker- Dealer</b>	<b>Firm</b>
Mini Options Transaction Fee- Electronic Adding Liquidity	\$0.00	\$0.03	\$0.02	\$0.03	\$0.03

Mini Options Transaction Fee- Electronic Removing Liquidity	\$0.00	\$0.09	\$0.04	\$0.09	\$0.09
Mini Options Transaction Fee- Floor and QCC	\$0.00	\$0.09	\$0.09	\$0.09	\$0.09

For executions that occur as part of PIXL, the following fees and rebates will apply:

- Initiating Order: \$0.015 per contract
- PIXL Order (Contra-party to the Initiating Order): Customer is \$0.00 and all others will be assessed a transaction fee of \$0.03 per contract.
- PIXL Order (Contra-party to other than the Initiating Order): Customer will be assessed a transaction fee of \$0.00 and all others will be assessed a transaction fee of \$0.03 per contract. The contra-party will be assessed a transaction fee of \$0.03 per contract.

Payment for Order Flow fees will be as follows:

- Penny Pilot Options: \$0.02
- All Other Options: \$0.06

QCC Transaction Fees and rebates defined in Options 7, Section 4 do not apply to Mini Options.

Routing Fees set forth in Options 7, Section 7 apply to Mini Options.

The Monthly Market Maker Cap and the Monthly Firm Fee Cap set forth in Options 7, Section 4 as well as other options transaction fee caps, discounts or rebates will not apply to transactions in Mini Options.

Mini Options volume will be included in the calculations for the Customer Rebate Program eligibility but will not be eligible to receive the rebates associated with the Customer Rebate Program.]

\* \* \* \* \*

**Section 6. Other Transaction Fees**

\* \* \* \* \*

**E. Market Access and Routing Subsidy ("MARS")**

\* \* \* \* \*

**MARS Eligible Contracts**

MARS Payment would be made to Phlx members that have System Eligibility and have routed the requisite number of Eligible Contracts daily in a month, which were executed on Phlx. For the purpose of qualifying for the MARS Payment, Eligible Contracts include the following: Firm, Broker-Dealer, Joint Back Office or "JBO" or Professional equity option orders that are electronically delivered and executed. Eligible Contracts do not include floor-based orders, qualified contingent cross or "QCC" orders, price improvement or "PIXL" orders, [Mini Option orders ]or Singly Listed Orders. Options overlying NDX and NDXP are not considered Eligible Contracts.

\* \* \* \* \*

**Options 8 Floor Trading**

\* \* \* \* \*

**Section 24. Bids And Offers—Premium**

\* \* \* \* \*

(c) Except as provided in (d) and (e) below, all bids or offers made on the Floor for option contracts shall be expressed as follows: (i) in the case of options on stocks or Exchange-Traded Fund Shares, in terms of dollars per share of the underlying stock or Exchange-Traded Fund Share (e.g., a bid of "5" shall represent a bid to pay a premium of \$500 for an option contract having a unit of trading consisting of 100 shares of an underlying stock or Exchange-Traded Fund Share, or a bid to pay a premium of \$550 for an option contract having a unit or trading consisting of 110 shares of an underlying stock Exchange-Traded Fund Share); and (ii) In the case of options on foreign currencies in terms of U.S. dollars per unit of the underlying foreign currency. E.g., a bid of "3.25" for a premium on a \$170 strike price option on the British pound shall represent a bid to pay \$325 per option contract[; and (iii) *Mini Options*. Bids and offers for an option contract overlying 10 shares shall be expressed in terms of dollars per 1/10th part of the total value of the contract. An offer of ".50" shall represent an offer of \$5.00 on an option contract having a unit of trading consisting of 10 shares].

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**Section 30. Crossing, Facilitation and Solicited Orders**

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(e) *Floor Qualified Contingent Cross*. A Floor Qualified Contingent Cross Order is comprised of an originating order to buy or sell at least 1,000 contracts[, or 10,000 contracts in the case of Mini Options,] that is identified as being part of a qualified contingent trade, as that term is defined in subsection (3) below, coupled with a contra-side order or orders totaling an equal number of contracts.

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**Options 9 Business Conduct**

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**Section 13. Position Limits**

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(d) For the purpose of computing the aggregate position limits established by this Rule, long positions in call option contracts are aggregated with short positions in put option contracts and short positions in call option contracts are aggregated with long positions in put option contracts.

[(i) Positions in option contracts overlying 10 shares of stock, Exchange-Traded Fund Share, Trust Issued Receipt, Exchange Traded Note, and other Index Linked Security ("Mini Options"), shall be aggregated with positions in regular size stock, Exchange-Traded Fund Share, Trust Issued Receipt, Exchange Traded Note, and other Index Linked Security option contracts, for purposes of this rule, provided that ten (10) Mini Option contracts shall count as one (1) regular size option contract.]

\* \* \* \* \*

(l) Equity Option Hedge Exemptions. The following qualified hedge transactions and positions described in paragraphs 1-5 below shall be exempt from established position limits as prescribed under sections (g) and (d)(i) above. Hedge transactions and positions established pursuant to paragraphs (6) and (7) below are subject to a position limit equal to five (5) times the standard limit established under sections (g) and (d)(i).

(1) Where each option contract is "hedged" or "covered" by 100 shares [(10 shares in the case of a Mini Option)] of the underlying security or securities convertible into such underlying security, or, in the case of an adjusted option contract the same number of shares represented by the adjusted contract; (i) long call and short stock; (ii) short call and long stock; (iii) long put and long stock; (iv) short put and short stock.

- (2) A long call position accompanied by a short put position, where the long call expires with the short put, and the strike price of the long call and short put is equal, and where each long call and short put position is hedged with 100 shares [(10 shares in the case of a Mini Option)] (or other adjusted number of shares) of the underlying security or securities convertible into such stock ("reverse conversion").
- (3) A short call position accompanied by a long put position where the short call expires with the long put, and the strike price of the short call and long put is equal and where each short call and long put position is hedged with 100 shares [(10 shares in the case of a Mini Option)] (or other adjusted number of shares) of the underlying security or securities convertible into such stock ("conversion").
- (4) A short call position accompanied by a long put position, where the short call expires with the long put, and the strike price of the short call equals or exceeds the long put, and where each short call and long put position is hedged with 100 shares [(10 shares in the case of a Mini Option)] of the underlying security (or other adjusted number of shares). Neither side of the short call, long put position can be in-the-money at the time of the position is established ("collar").
- (5) A long call position accompanied by a short put position where the long call expires with the short put and the strike price of the long call equals or exceeds the short put and where each long call and short put position is hedged with 100 shares [(10 shares in the case of a Mini Option)] of the underlying security (or other adjusted number of shares). Neither side of the long call, short put position can be in-the- money at the time the position is established ("reverse collar").
- (6) A long call position accompanied by a short put position with the same strike price and a short call position accompanied by a long put position with a different strike price ("box spread").
- (7) A listed option position hedged on a one-for-one basis with an over-the-counter ("OTC") option position on the same underlying security. The strike price of the listed option position and corresponding OTC option position must be within one strike of each other and no more than one expiration month apart.
- (8) For those strategies described under (2), (3), and (4) above, one component of the option strategy may be an OTC option contract guaranteed or endorsed by the firm maintaining the proprietary position or carrying the customer account.
- (9) 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.

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