

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="33"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2021"/> - * <input type="text" value="36"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by
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"/>
			Rule		
Pilot <input type="checkbox"/>	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 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) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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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 Options 7, Section 5 to adopt an incentive program for Lead Market Makers and Market Makers in Nasdaq 100 Micro Index 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 * 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 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 *

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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

Add Remove View

Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

Add Remove View

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

Partial Amendment

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

1. Text of the Proposed Rule Change

(a) Nasdaq PHLX LLC (“Phlx” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend the Exchange’s Pricing Schedule at Options 7, Section 5 to adopt an incentive program for Lead Market Makers (“LMMs”) and Market Makers in Nasdaq 100 Micro Index (“XND”) options.

The Exchange originally filed the proposed pricing change on June 1, 2021 (SR-Phlx-2021-34). On June 11, 2021, the Exchange withdrew that filing and submitted this filing.

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 November 5, 2020. 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Nasdaq, Inc.
646-420-7816

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

a. Purpose

The Exchange recently received approval to list index options on XND on a pilot basis, and subsequently began to list XND options on April 15, 2021.³ The Exchange now proposes to amend its Pricing Schedule to adopt a rebate program in order to incentivize LMMS and Market Makers to provide significant liquidity in XND options during the trading day, which, in turn, would provide greater trading opportunities, narrower bid-ask spreads, and enhanced price discovery for all market participants in XND.

Today, LMMs and Market Makers are subject to certain intra-day electronic quoting obligations on the Exchange.⁴ As further described below, the Exchange proposes to amend the Exchange's Pricing Schedule to provide rebates to any LMM or Market Maker in XND that meet heightened quoting standards during the trading day, which will be specified in new Section 5.B of Options 7.⁵ As proposed, an LMM or Market Maker will be eligible to receive the following additional rebates in all XND series if they meet the following criteria: (i) \$0.03 per contract if the LMM or Market

³ See Securities Exchange Act Release No. 91524 (April 9, 2021), 86 FR 19909 (April 15, 2021) (SR-Phlx-2021-07) ("Adopting Filing"). The Exchange also filed to adopt initial fees for XND options on April 15, 2021. See Securities Exchange Act Release No. 91696 (April 28, 2021), 86 FR 24109 (May 5, 2021) (SR-Phlx-2021-24).

⁴ See Options 2, Sections 4(c), 5(a), and 5(c).

⁵ In connection with this change, existing Sections 5.B and 5.C of Options 7 will be renumbered to 5.C and 5.D, respectively.

Maker provides continuous electronic quotes during the trading day that meet or exceed the below heightened quoting standards for all XND series with an expiration of 14 days or less, for the corresponding minimum time requirement on average in a given month based on daily performance; (ii) \$0.01 per contract if the LMM or Market Maker provides continuous electronic quotes during the trading day that meet or exceed the below heightened quoting standards for all XND series with an expiration of 15 day to 60 days, for the corresponding minimum time requirement on average in a given month based on daily performance; and (iii) \$0.01 per contract if the LMM or Market Maker provides continuous electronic quotes during the trading day that meet or exceed the below heightened quoting standards for all XND series with an expiration of 61 days or greater, for the corresponding minimum time requirement on average in a given month based on daily performance. The foregoing rebates may be cumulative such that a qualifying LMM or Market Maker may receive a total rebate of \$0.05 per contract for all XND series.

Minimum Time Requirement	Premium Level	Expiring					
		14 days or less		15 days to 60 days		61 days or greater	
		Width	Size	Width	Size	Width	Size
90%	\$0.00 - \$1.00	\$0.05	5	\$0.06	5	\$0.10	5
90%	\$1.01 - \$3.00	\$0.08	5	\$0.08	5	\$0.12	5
90%	\$3.01 - \$5.00	\$0.10	5	\$0.10	5	\$0.15	5
90%	\$5.01 - \$10.00	\$0.45	5	\$0.50	5	\$0.60	5
85%	\$10.01 - \$25.00	\$1.00	5	\$1.10	5	\$1.25	5
85%	Greater than \$25.00	\$2.50	5	\$3.00	5	\$3.50	5

In calculating whether an LMM or Market Maker met the heightened quoting standard each month, the Exchange will exclude from the calculation in that month the worst quoting day in XND for the LMM or Market Maker.

As proposed, the above minimum time requirements will apply to each series on an individual basis such that an LMM or Market Maker must meet those requirements separately for each premium level (e.g., a Market Maker must quote a \$0.95 premium XND option at least 90% of the time, separately quote a \$2.00 premium XND option at least 90% of the time, etc. all the way down to the last premium level of greater than \$25 in order to be eligible for a rebate).⁶ An LMM or Market Maker meeting all the minimum time requirements in all premium levels would thus be eligible to receive the applicable rebate (i.e., \$0.03 in the 14 days or less expiration bucket, \$0.01 in the 15-60 days bucket, and/or \$0.01 in the 61 days or greater bucket) if it also meets the specified heightened quoting standards in the applicable expiration bucket, which rebate amount would then apply to all of the LMM's or Market Maker's XND contracts. In other words, an LMM or Market Maker can qualify for any one or combination of the foregoing rebates such that it may receive anywhere between \$0.01 and up to a total of \$0.05 per contract, which would then be applied to all XND contracts.

The following examples further illustrate how the proposed rebate program will work:

Example 1

A Market Maker is meeting the quote width requirement (\$0.06) on a \$0.95 premium XND option 20 days until expiration 93% of the time. The 93% performance would count towards the 15-60 day expiration bucket that could gain the \$0.01 per contract rebate. Six days later, as the XND option is now 14 days until expiration, the

⁶ As noted below, this is different from Cboe Exchange, Inc.'s ("Cboe") LMM incentive program, which also requires LMMs to quote in a specified percentage of all series. See infra note 9.

Market Maker tightens to quoting \$0.05 wide 91% of the time. The 91% performance would count towards the 14 days or less expiration bucket that could gain the \$0.03 per contract rebate.

Example 2

A Market Maker is meeting the quote width, size and minimum time requirements for all 14 days or less XND options up to a \$25 premium level, but the Market Maker does not hit the 85% minimum time requirement for XND options with a premium greater than \$25. As a result, the Market Maker would not be eligible to receive the \$0.03 per contract rebate for the 14 days or less expiration bucket. However, it could still be eligible to receive the \$0.01 per contract rebates in the other two expiration buckets (15-60 days and 61 days or greater) if they meet all of the corresponding quote width, size and minimum time requirements for all premium levels for each bucket.

LMMs and Market Makers in XND options are not obligated to satisfy the heightened quoting standards described in the table above. Rather, the LMM or Market Maker will only receive a rebate if they satisfy the abovementioned heightened quoting standard. If an LMM or Market Maker does not meet the heightened quoting standard, then it will simply not receive the rebate for that month. The Exchange notes, however, that with respect to quoting obligations, LMMs and Market Makers must still comply with the continuous quoting obligations and other obligations of LMMs and Market Makers described in the Exchange's Rules.⁷ The Exchange believes that the proposed rebates for the additional quoting standards described above will incentivize LMMs and Market Makers to provide significant liquidity in XND options.

⁷ See supra note 4.

As it relates to the proposed exception to the heightened quoting standards described above to exclude the LMM's or Market Maker's worst quoting day in XND in a given month, the Exchange seeks to adopt this exception to provide flexibility for LMMs and Market Makers, which in turn may further encourage those market participants to provide liquidity in XND options. For example, the Exchange notes that there may be certain circumstances, such as where the LMM or Market Maker has a system issue, that may impact their ability to meet the proposed heightened quoting standards for that day, which could result in the LMM or Market Maker no longer being able to satisfy the heightened quoting standard for the remainder of the month. The Exchange believes that the proposed change will further encourage LMMs and Market Makers to continue to quote aggressively in XND options throughout the entire month despite one poor performing day. For example, absent the proposed rule change, if an LMM or Market Maker has a poor performing day early in the month, the market participant may no longer have an incentive to continue to quote at the proposed heightened levels for the remainder of the month as it would know it would no longer be eligible to receive the proposed rebates for that month even if it continued to meet or exceed the prescribed quoting standards. Accordingly, the Exchange believes the proposed rule change would eliminate the potential disincentive that could occur if one poor performing day prevented an LMM or Market Maker from meeting the proposed heightened quoting standards.

The Exchange notes that the proposed XND incentive program is substantially similar to incentive programs in place at Cboe that offer financial benefits for meeting

heightened quoting standards, with certain structural differences.⁸ For instance, the proposed XND incentive program will pay the rebates to the qualifying LMM or Market Maker on a per contract basis, instead of as one monthly payment like Cboe's programs. Furthermore, the proposed rebates may be cumulative such that the qualifying LMM or Market Maker may receive up to \$0.05 per contract in all XND series, as discussed above. The proposed program will also be available to both LMMs and Market Makers in XND whereas Cboe's programs are generally limited to LMMs. In this respect, the Exchange seeks to expand the pool of Market Makers that may provide liquidity in XND, which is ultimately beneficial to the marketplace by facilitating tighter spreads and more trading opportunities, particularly in a newly listed and traded product on the Exchange during the trading day. In addition, while the Exchange will require LMMs and Market Makers to satisfy the proposed heightened quoting standards for a specified percentage of time for XND series, the Exchange will not require LMMs or Market Makers to meet the proposed heightened quoting requirements in a specified percentage of XND series like Cboe's programs.⁹ Otherwise, the proposed heightened quoting standards are similar to the detail and format (specific expiration categories and corresponding premiums, quote widths, and sizes) of the heightened quoting standards currently in place for Cboe's incentive programs.¹⁰

⁸ See, e.g., Cboe Fees Schedule, "MRUT LMM Incentive Program," "MSCI LMM Incentive Program," "GTH VIX/VIXW LMM Incentive Program," "GTH SPX/SPXW LMM Incentive Program," and "RTH SPESG LMM Incentive Program."

⁹ For example, Cboe's RTH SPESG LMM Incentive Program requires the LMM to meet the specified heightened quoting standards in at least 60% of the series 90% of the time in a given month.

¹⁰ See supra note 8.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹¹ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹² 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 the proposed XND incentive program is reasonable, equitable, and not unfairly discriminatory. The proposed heightened quoting standards and rebate amounts for meeting the heightened quoting standards in XND series are reasonably designed to incentivize an LMM or Market Maker to meet the quoting standards for XND during the trading day, thereby providing liquid and active markets, which facilitates tighter spreads, increased trading opportunities, and overall enhanced market quality to the benefit of all market participants, particularly in a newly listed and traded product like XND in order to encourage its growth on the Exchange. The Exchange believes that creating an incentive program in which LMMs and Market Makers must satisfy a heightened quoting standard to receive the rebates is a reasonable way to fortify market quality in XND, especially given XND's new market ecosystem where the Exchange expects lower trading liquidity and trading levels as compared to more established products that generally contain deeper pools of liquidity and are more active.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4) and (5).

The Exchange believes that the proposed rebates are set at appropriate levels that are reasonably designed to incentivize LMMs and Market Makers to provide liquid and active markets in XND options to encourage its growth on the Exchange. As stated in the Adopting Filing, the Exchange is seeking to attract a greater source of retail customer business by listing XND options.¹³ Accordingly, the Exchange is proposing to provide a higher rebate in XND series with expirations of 14 days or less as compared to longer-term XND series (i.e., \$0.03 per contract compared to \$0.01 per contract) in order to incentivize significant liquidity in retail XND orders, which would typically be in XND series with shorter expirations and lower premiums. The Exchange also believes that allowing the proposed rebates to be cumulative such that qualifying LMMs and Market Makers could receive a total rebate of up to \$0.05 per contract would encourage a more liquid and active market in all XND series, which will have a beneficial impact on market quality.

The Exchange believes that the proposed heightened quoting standards in XND options are reasonable in that they are similar to the detail and format (specific expiration categories and corresponding premiums, quote widths, and sizes) of the heightened quoting standards currently in place for Cboe's incentive programs.¹⁴ For example, the proposed expiration categories are similar to those for Cboe's MRUT LMM incentive program except the Exchange will not have a separate expiration category for long term options (i.e., 271 days or greater). The Exchange notes that it does not currently list any long term XND options series. The Exchange believes that the proposed premiums and

¹³ See supra note 3.

¹⁴ See supra note 8.

quote widths in the proposed heightened quoting standards for XND LMMs and Market Makers reasonably reflect what the Exchange believes will be typical market characteristics in XND options, given their reduced notional value based on the Nasdaq 100 Index, minimum increments, and target retail base, thus smaller, retail-sized orders. In addition, the Exchange believes that the proposed size requirement of five (5) contracts in the heightened quoting standards is a reasonable balance of the typical market characteristics of an XND order (i.e., smaller, retail-sized orders) and the desire for the Exchange to encourage significant liquidity in XND options. Furthermore, the Exchange believes that the proposed minimum time requirements are set at reasonable levels that would encourage LMMs and Market Makers to contribute to greater liquidity in a newly-listed product like XND.

The Exchange believes the proposed XND incentive program is equitable and not unfairly discriminatory as all LMMs and Market Makers may qualify for this program by meeting the heightened quoting standards described above. In addition, the Exchange believes that it is equitable and not unfairly discriminatory to only offer the proposed incentives to LMMs and Market Makers. LMMs and Market Makers add value through continuous quoting and are subject to additional requirements and obligations (such as continuous quoting obligations) that other market participants are not. Furthermore, by incentivizing LMMs and Market Makers to satisfy the heightened quoting standards in XND series, the proposed changes may increase liquidity and tighter spreads, which can lead to increased volume, thereby benefitting all market participants by providing a robust market, particularly in a newly listed and traded product like XND in order to encourage its growth on the Exchange.

The Exchange believes that the proposed rule change to exclude the LMM's or Market Maker's worst quoting day each month is reasonable because it will encourage those market participants to continue to quote aggressively in XND options throughout the entire month despite an individual poor performing day. As discussed above, there may be days on which an LMM or Market Maker cannot quote aggressively (e.g., the market participant has a system issue) and in certain months, one poor performing day may prevent an LMM or Market Maker from meeting the heightened quoting standard required to receive the rebates under the proposed incentive program. Moreover, in such months where an LMM or Market Maker has a poor performing day, the LMM or Market Maker may be discouraged from quoting aggressively the remainder of the month if it knows it were no longer eligible to receive the rebates that month. This can be especially problematic if a poor performing day occurs early in the month. The Exchange notes that the proposed XND rebate program is to ensure there are sufficient incentives for an LMM or Market Maker to quote at heightened levels in this newly-listed product. Accordingly, the Exchange believes the proposed rule change will encourage LMMs and Market Makers to quote aggressively in a class throughout the entire month (and thereby ensure sufficient liquidity), notwithstanding a poor performing day. The Exchange also notes that its affiliated exchange, Nasdaq ISE, LLC ("ISE") similarly omits a Market Maker's worst quoting day each month under its Market Maker Plus rebate program.¹⁵ Lastly, the Exchange believes the proposed exclusion is equitable and not unfairly discriminatory as it will apply equally to all LMMs and Market Makers.

¹⁵ See ISE Options 7, Section 3, footnote 5.

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 intra-market competition, the Exchange does not believe that its proposal will place any category of market participant at a competitive disadvantage. The proposed XND incentive program is intended to encourage growth in a newly listed and traded product by providing rebates for LMMs and Market Makers that meet or exceed the proposed heightened quoting standards described above. As discussed above, the Exchange believes that its proposal will incentivize LMMs and Market Makers to provide significant liquidity in XND options during the trading day, which, in turn, would provide greater trading opportunities, narrower bid-ask spreads, and enhanced price discovery for all market participants in XND.

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, or rebate opportunities available at other venues to be more favorable. The Exchange notes that there are other products today that are similarly based on the Nasdaq-100 Index. Specifically, market participants are offered an opportunity to transact in NDX, NDXP, or NQX, or separately execute options overlying QQQ, which offer various notional sizes.¹⁶ Offering these products provides market participants with a variety of choices in selecting the product they desire to utilize to transact in the Nasdaq-100 Index.

¹⁶ See e.g., Options 7, Section 5.A for NDX and NDXP pricing. See also ISE Options 7, Section 5.B for NQX pricing. NQX is currently listed only on ISE.

Furthermore, the Exchange notes that there are other existing investment products that are similar to XND options in that they seek to allow investors to gain broad market exposure through reduced value options.¹⁷ In sum, if the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result.

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,¹⁸ 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

¹⁷ For instance, Cboe offers both MRUT and Mini-SPX ("XSP") options, which are reduced-value options based on broad-based indexes (i.e., the Russell 2000 Index and S&P 500 Index). See Cboe Fees Schedule for MRUT and XSP pricing.

¹⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

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-2021-36)

June __, 2021

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Exchange's Pricing Schedule at Options 7, Section 5

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 June 11, 2021, 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 Options 7, Section 5 to adopt an incentive program for Lead Market Makers ("LMMs") and Market Makers in Nasdaq 100 Micro Index ("XND") options.

The text of the proposed rule change is available on the Exchange's Website at <https://listingcenter.nasdaq.com/rulebook/phlx/rules>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

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

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

1. Purpose

The Exchange recently received approval to list index options on XND on a pilot basis, and subsequently began to list XND options on April 15, 2021.³ The Exchange now proposes to amend its Pricing Schedule to adopt a rebate program in order to incentivize LMMS and Market Makers to provide significant liquidity in XND options during the trading day, which, in turn, would provide greater trading opportunities, narrower bid-ask spreads, and enhanced price discovery for all market participants in XND.

Today, LMMs and Market Makers are subject to certain intra-day electronic quoting obligations on the Exchange.⁴ As further described below, the Exchange proposes to amend the Exchange's Pricing Schedule to provide rebates to any LMM or

³ See Securities Exchange Act Release No. 91524 (April 9, 2021), 86 FR 19909 (April 15, 2021) (SR-Phlx-2021-07) ("Adopting Filing"). The Exchange also filed to adopt initial fees for XND options on April 15, 2021. See Securities Exchange Act Release No. 91696 (April 28, 2021), 86 FR 24109 (May 5, 2021) (SR-Phlx-2021-24).

⁴ See Options 2, Sections 4(c), 5(a), and 5(c).

Market Maker in XND that meet heightened quoting standards during the trading day, which will be specified in new Section 5.B of Options 7.⁵ As proposed, an LMM or Market Maker will be eligible to receive the following additional rebates in all XND series if they meet the following criteria: (i) \$0.03 per contract if the LMM or Market Maker provides continuous electronic quotes during the trading day that meet or exceed the below heightened quoting standards for all XND series with an expiration of 14 days or less, for the corresponding minimum time requirement on average in a given month based on daily performance; (ii) \$0.01 per contract if the LMM or Market Maker provides continuous electronic quotes during the trading day that meet or exceed the below heightened quoting standards for all XND series with an expiration of 15 day to 60 days, for the corresponding minimum time requirement on average in a given month based on daily performance; and (iii) \$0.01 per contract if the LMM or Market Maker provides continuous electronic quotes during the trading day that meet or exceed the below heightened quoting standards for all XND series with an expiration of 61 days or greater, for the corresponding minimum time requirement on average in a given month based on daily performance. The foregoing rebates may be cumulative such that a qualifying LMM or Market Maker may receive a total rebate of \$0.05 per contract for all XND series.

Minimum Time Requirement	Premium Level	Expiring					
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90%	\$1.01 - \$3.00	\$0.08	5	\$0.08	5	\$0.12	5

⁵ In connection with this change, existing Sections 5.B and 5.C of Options 7 will be renumbered to 5.C and 5.D, respectively.

Minimum Time Requirement	Premium Level	Expiring					
		14 days or less		15 days to 60 days		61 days or greater	
		Width	Size	Width	Size	Width	Size
90%	\$3.01 - \$5.00	\$0.10	5	\$0.10	5	\$0.15	5
90%	\$5.01 - \$10.00	\$0.45	5	\$0.50	5	\$0.60	5
85%	\$10.01 - \$25.00	\$1.00	5	\$1.10	5	\$1.25	5
85%	Greater than \$25.00	\$2.50	5	\$3.00	5	\$3.50	5

In calculating whether an LMM or Market Maker met the heightened quoting standard each month, the Exchange will exclude from the calculation in that month the worst quoting day in XND for the LMM or Market Maker.

As proposed, the above minimum time requirements will apply to each series on an individual basis such that an LMM or Market Maker must meet those requirements separately for each premium level (e.g., a Market Maker must quote a \$0.95 premium XND option at least 90% of the time, separately quote a \$2.00 premium XND option at least 90% of the time, etc. all the way down to the last premium level of greater than \$25 in order to be eligible for a rebate).⁶ An LMM or Market Maker meeting all the minimum time requirements in all premium levels would thus be eligible to receive the applicable rebate (i.e., \$0.03 in the 14 days or less expiration bucket, \$0.01 in the 15-60 days bucket, and/or \$0.01 in the 61 days or greater bucket) if it also meets the specified heightened quoting standards in the applicable expiration bucket, which rebate amount would then apply to all of the LMM's or Market Maker's XND contracts. In other words, an LMM or Market Maker can qualify for any one or combination of the

⁶ As noted below, this is different from Cboe Exchange, Inc.'s ("Cboe") LMM incentive program, which also requires LMMs to quote in a specified percentage of all series. See *infra* note 9.

foregoing rebates such that it may receive anywhere between \$0.01 and up to a total of \$0.05 per contract, which would then be applied to all XND contracts.

The following examples further illustrate how the proposed rebate program will work:

Example 1

A Market Maker is meeting the quote width requirement (\$0.06) on a \$0.95 premium XND option 20 days until expiration 93% of the time. The 93% performance would count towards the 15-60 day expiration bucket that could gain the \$0.01 per contract rebate. Six days later, as the XND option is now 14 days until expiration, the Market Maker tightens to quoting \$0.05 wide 91% of the time. The 91% performance would count towards the 14 days or less expiration bucket that could gain the \$0.03 per contract rebate.

Example 2

A Market Maker is meeting the quote width, size and minimum time requirements for all 14 days or less XND options up to a \$25 premium level, but the Market Maker does not hit the 85% minimum time requirement for XND options with a premium greater than \$25. As a result, the Market Maker would not be eligible to receive the \$0.03 per contract rebate for the 14 days or less expiration bucket. However, it could still be eligible to receive the \$0.01 per contract rebates in the other two expiration buckets (15-60 days and 61 days or greater) if they meet all of the corresponding quote width, size and minimum time requirements for all premium levels for each bucket.

LMMs and Market Makers in XND options are not obligated to satisfy the heightened quoting standards described in the table above. Rather, the LMM or Market

Maker will only receive a rebate if they satisfy the abovementioned heightened quoting standard. If an LMM or Market Maker does not meet the heightened quoting standard, then it will simply not receive the rebate for that month. The Exchange notes, however, that with respect to quoting obligations, LMMs and Market Makers must still comply with the continuous quoting obligations and other obligations of LMMs and Market Makers described in the Exchange's Rules.⁷ The Exchange believes that the proposed rebates for the additional quoting standards described above will incentivize LMMs and Market Makers to provide significant liquidity in XND options.

As it relates to the proposed exception to the heightened quoting standards described above to exclude the LMM's or Market Maker's worst quoting day in XND in a given month, the Exchange seeks to adopt this exception to provide flexibility for LMMs and Market Makers, which in turn may further encourage those market participants to provide liquidity in XND options. For example, the Exchange notes that there may be certain circumstances, such as where the LMM or Market Maker has a system issue, that may impact their ability to meet the proposed heightened quoting standards for that day, which could result in the LMM or Market Maker no longer being able to satisfy the heightened quoting standard for the remainder of the month. The Exchange believes that the proposed change will further encourage LMMs and Market Makers to continue to quote aggressively in XND options throughout the entire month despite one poor performing day. For example, absent the proposed rule change, if an LMM or Market Maker has a poor performing day early in the month, the market participant may no longer have an incentive to continue to quote at the proposed

⁷ See supra note 4.

heightened levels for the remainder of the month as it would know it would no longer be eligible to receive the proposed rebates for that month even if it continued to meet or exceed the prescribed quoting standards. Accordingly, the Exchange believes the proposed rule change would eliminate the potential disincentive that could occur if one poor performing day prevented an LMM or Market Maker from meeting the proposed heightened quoting standards.

The Exchange notes that the proposed XND incentive program is substantially similar to incentive programs in place at Cboe that offer financial benefits for meeting heightened quoting standards, with certain structural differences.⁸ For instance, the proposed XND incentive program will pay the rebates to the qualifying LMM or Market Maker on a per contract basis, instead of as one monthly payment like Cboe's programs. Furthermore, the proposed rebates may be cumulative such that the qualifying LMM or Market Maker may receive up to \$0.05 per contract in all XND series, as discussed above. The proposed program will also be available to both LMMs and Market Makers in XND whereas Cboe's programs are generally limited to LMMs. In this respect, the Exchange seeks to expand the pool of Market Makers that may provide liquidity in XND, which is ultimately beneficial to the marketplace by facilitating tighter spreads and more trading opportunities, particularly in a newly listed and traded product on the Exchange during the trading day. In addition, while the Exchange will require LMMs and Market Makers to satisfy the proposed heightened quoting standards for a specified percentage of time for XND series, the Exchange will not require LMMs or Market Makers to meet the

⁸ See, e.g., Cboe Fees Schedule, "MRUT LMM Incentive Program," "MSCI LMM Incentive Program," "GTH VIX/VIXW LMM Incentive Program," "GTH SPX/SPXW LMM Incentive Program," and "RTH SPESG LMM Incentive Program."

proposed heightened quoting requirements in a specified percentage of XND series like Cboe's programs.⁹ Otherwise, the proposed heightened quoting standards are similar to the detail and format (specific expiration categories and corresponding premiums, quote widths, and sizes) of the heightened quoting standards currently in place for Cboe's incentive programs.¹⁰

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹¹ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹² 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 the proposed XND incentive program is reasonable, equitable, and not unfairly discriminatory. The proposed heightened quoting standards and rebate amounts for meeting the heightened quoting standards in XND series are reasonably designed to incentivize an LMM or Market Maker to meet the quoting standards for XND during the trading day, thereby providing liquid and active markets, which facilitates tighter spreads, increased trading opportunities, and overall enhanced market quality to the benefit of all market participants, particularly in a newly listed and

⁹ For example, Cboe's RTH SPESG LMM Incentive Program requires the LMM to meet the specified heightened quoting standards in at least 60% of the series 90% of the time in a given month.

¹⁰ See supra note 8.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4) and (5).

traded product like XND in order to encourage its growth on the Exchange. The Exchange believes that creating an incentive program in which LMMs and Market Makers must satisfy a heightened quoting standard to receive the rebates is a reasonable way to fortify market quality in XND, especially given XND's new market ecosystem where the Exchange expects lower trading liquidity and trading levels as compared to more established products that generally contain deeper pools of liquidity and are more active.

The Exchange believes that the proposed rebates are set at appropriate levels that are reasonably designed to incentivize LMMs and Market Makers to provide liquid and active markets in XND options to encourage its growth on the Exchange. As stated in the Adopting Filing, the Exchange is seeking to attract a greater source of retail customer business by listing XND options.¹³ Accordingly, the Exchange is proposing to provide a higher rebate in XND series with expirations of 14 days or less as compared to longer-term XND series (i.e., \$0.03 per contract compared to \$0.01 per contract) in order to incentivize significant liquidity in retail XND orders, which would typically be in XND series with shorter expirations and lower premiums. The Exchange also believes that allowing the proposed rebates to be cumulative such that qualifying LMMs and Market Makers could receive a total rebate of up to \$0.05 per contract would encourage a more liquid and active market in all XND series, which will have a beneficial impact on market quality.

The Exchange believes that the proposed heightened quoting standards in XND options are reasonable in that they are similar to the detail and format (specific expiration

¹³ See supra note 3.

categories and corresponding premiums, quote widths, and sizes) of the heightened quoting standards currently in place for Cboe's incentive programs.¹⁴ For example, the proposed expiration categories are similar to those for Cboe's MRUT LMM incentive program except the Exchange will not have a separate expiration category for long term options (i.e., 271 days or greater). The Exchange notes that it does not currently list any long term XND options series. The Exchange believes that the proposed premiums and quote widths in the proposed heightened quoting standards for XND LMMs and Market Makers reasonably reflect what the Exchange believes will be typical market characteristics in XND options, given their reduced notional value based on the Nasdaq 100 Index, minimum increments, and target retail base, thus smaller, retail-sized orders. In addition, the Exchange believes that the proposed size requirement of five (5) contracts in the heightened quoting standards is a reasonable balance of the typical market characteristics of an XND order (i.e., smaller, retail-sized orders) and the desire for the Exchange to encourage significant liquidity in XND options. Furthermore, the Exchange believes that the proposed minimum time requirements are set at reasonable levels that would encourage LMMs and Market Makers to contribute to greater liquidity in a newly-listed product like XND.

The Exchange believes the proposed XND incentive program is equitable and not unfairly discriminatory as all LMMs and Market Makers may qualify for this program by meeting the heightened quoting standards described above. In addition, the Exchange believes that it is equitable and not unfairly discriminatory to only offer the proposed incentives to LMMs and Market Makers. LMMs and Market Makers add value through

¹⁴ See supra note 8.

continuous quoting and are subject to additional requirements and obligations (such as continuous quoting obligations) that other market participants are not. Furthermore, by incentivizing LMMs and Market Makers to satisfy the heightened quoting standards in XND series, the proposed changes may increase liquidity and tighter spreads, which can lead to increased volume, thereby benefitting all market participants by providing a robust market, particularly in a newly listed and traded product like XND in order to encourage its growth on the Exchange.

The Exchange believes that the proposed rule change to exclude the LMM's or Market Maker's worst quoting day each month is reasonable because it will encourage those market participants to continue to quote aggressively in XND options throughout the entire month despite an individual poor performing day. As discussed above, there may be days on which an LMM or Market Maker cannot quote aggressively (e.g., the market participant has a system issue) and in certain months, one poor performing day may prevent an LMM or Market Maker from meeting the heightened quoting standard required to receive the rebates under the proposed incentive program. Moreover, in such months where an LMM or Market Maker has a poor performing day, the LMM or Market Maker may be discouraged from quoting aggressively the remainder of the month if it knows it were no longer eligible to receive the rebates that month. This can be especially problematic if a poor performing day occurs early in the month. The Exchange notes that the proposed XND rebate program is to ensure there are sufficient incentives for an LMM or Market Maker to quote at heightened levels in this newly-listed product. Accordingly, the Exchange believes the proposed rule change will encourage LMMs and Market Makers to quote aggressively in a class throughout the entire month (and thereby ensure

sufficient liquidity), notwithstanding a poor performing day. The Exchange also notes that its affiliated exchange, Nasdaq ISE, LLC (“ISE”) similarly omits a Market Maker's worst quoting day each month under its Market Maker Plus rebate program.¹⁵ Lastly, the Exchange believes the proposed exclusion is equitable and not unfairly discriminatory as it will apply equally to all LMMs and Market Makers.

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 intra-market competition, the Exchange does not believe that its proposal will place any category of market participant at a competitive disadvantage. The proposed XND incentive program is intended to encourage growth in a newly listed and traded product by providing rebates for LMMs and Market Makers that meet or exceed the proposed heightened quoting standards described above. As discussed above, the Exchange believes that its proposal will incentivize LMMs and Market Makers to provide significant liquidity in XND options during the trading day, which, in turn, would provide greater trading opportunities, narrower bid-ask spreads, and enhanced price discovery for all market participants in XND.

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, or rebate opportunities available at other venues to be more favorable. The Exchange notes that

¹⁵ See ISE Options 7, Section 3, footnote 5.

there are other products today that are similarly based on the Nasdaq-100 Index. Specifically, market participants are offered an opportunity to transact in NDX, NDXP, or NQX, or separately execute options overlying QQQ, which offer various notional sizes.¹⁶ Offering these products provides market participants with a variety of choices in selecting the product they desire to utilize to transact in the Nasdaq-100 Index. Furthermore, the Exchange notes that there are other existing investment products that are similar to XND options in that they seek to allow investors to gain broad market exposure through reduced value options.¹⁷ In sum, if the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result.

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.¹⁸

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

¹⁶ See e.g., Options 7, Section 5.A for NDX and NDXP pricing. See also ISE Options 7, Section 5.B for NQX pricing. NQX is currently listed only on ISE.

¹⁷ For instance, Cboe offers both MRUT and Mini-SPX ("XSP") options, which are reduced-value options based on broad-based indexes (i.e., the Russell 2000 Index and S&P 500 Index). See Cboe Fees Schedule for MRUT and XSP pricing.

¹⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

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:

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-2021-36 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-2021-36. 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-2021-36 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.¹⁹

J. Matthew DeLesDernier
Assistant Secretary

¹⁹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

Nasdaq PHLX LLC Rules

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Options 7 Pricing Schedule

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Section 5. Index and Singly Listed Options (Includes options overlying FX Options, equities, ETFs, ETNs, and indexes not listed on another exchange)

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B. XND Incentive Program

<u>Minimum Time Requirement</u>	<u>Premium Level</u>	<u>Expiring</u>					
		<u>14 days or less</u>		<u>15 days to 60 days</u>		<u>61 days or greater</u>	
		<u>Width</u>	<u>Size</u>	<u>Width</u>	<u>Size</u>	<u>Width</u>	<u>Size</u>
<u>90%</u>	<u>\$0.00 - \$1.00</u>	<u>\$0.05</u>	<u>5</u>	<u>\$0.06</u>	<u>5</u>	<u>\$0.10</u>	<u>5</u>
<u>90%</u>	<u>\$1.01 - \$3.00</u>	<u>\$0.08</u>	<u>5</u>	<u>\$0.08</u>	<u>5</u>	<u>\$0.12</u>	<u>5</u>
<u>90%</u>	<u>\$3.01 - \$5.00</u>	<u>\$0.10</u>	<u>5</u>	<u>\$0.10</u>	<u>5</u>	<u>\$0.15</u>	<u>5</u>
<u>90%</u>	<u>\$5.01 - \$10.00</u>	<u>\$0.45</u>	<u>5</u>	<u>\$0.50</u>	<u>5</u>	<u>\$0.60</u>	<u>5</u>
<u>85%</u>	<u>\$10.01 - \$25.00</u>	<u>\$1.00</u>	<u>5</u>	<u>\$1.10</u>	<u>5</u>	<u>\$1.25</u>	<u>5</u>
<u>85%</u>	<u>Greater than \$25.00</u>	<u>\$2.50</u>	<u>5</u>	<u>\$3.00</u>	<u>5</u>	<u>\$3.50</u>	<u>5</u>

• A Lead Market Maker (“LMM”) or Market Maker will be eligible to receive the following additional rebates in all XND series if they meet the following criteria: (i) \$0.03 per contract if the LMM or Market Maker provides continuous electronic quotes during the trading day that meet or exceed the above heightened quoting standards for all XND series with an expiration of 14 days or less, for the corresponding minimum time requirement on average in a given month based on daily performance; (ii) \$0.01 per contract if the LMM or Market Maker provides continuous electronic quotes during the trading day that meet or exceed the above heightened quoting standards for all XND series with an expiration of 15 day to 60 days, for the corresponding minimum time requirement on average in a given month based on daily performance; and (iii) \$0.01 per contract if the LMM or Market Maker provides continuous electronic quotes during the trading day that meet or exceed the above heightened quoting standards for all XND series with an expiration of 61 days or greater, for the corresponding minimum time requirement on average in a given month based on daily performance. The foregoing

rebates may be cumulative such that a qualifying LMM or Market Maker may receive a total rebate of \$0.05 per contract for all XND series.

• In calculating whether an LMM or Market Maker met the heightened quoting standard each month, the Exchange will exclude from the calculation in that month the worst quoting day in XND for the LMM or Market Maker.

[B]C. Singly Listed Options

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[C]D. FX Options: U.S. dollar-settled foreign currency options include XDB, XDE, XDN, XDS, XDA, XDZ and XDC.

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