

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 27

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

File No. \* SR 2022 - \* 48

Amendment No. (req. for Amendments \*)

Filing by Nasdaq PHLX LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)

**Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010**

**Section 806(e)(1) \***

**Section 806(e)(2) \***

**Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934**

**Section 3C(b)(2) \***

**Exhibit 2 Sent As Paper Document**

**Exhibit 3 Sent As Paper Document**

**Description**

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

Amend the Definition of Short Term Option Series

**Contact Information**

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

**First Name \*** Angela **Last Name \*** Dunn

**Title \*** Principal Associate General Counsel

**E-mail \*** Angela.Dunn@nasdaq.com

**Telephone \*** (215) 496-5692 **Fax**


**Signature**

Pursuant to the requirements of the Securities Exchange of 1934, Nasdaq PHLX LLC has duty caused this filing to be signed on its behalf by the undersigned thereunto duty authorized.

**Date** 11/22/2022 **(Title \*)**

**By** John Zecca **EVP and Chief Legal Officer**  
(Name \*)

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

 **Date: 2022.11.22 12:14:11 -05'00'**

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

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

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SR-Phlx-2022-48 19b-4.doc

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

SR-Phlx-2022-48 Exhibit 1.doc

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

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

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

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

Add Remove View

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

Exhibit Sent As Paper Document

**Exhibit 3 - Form, Report, or Questionnaire**

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

Exhibit Sent As Paper Document

**Exhibit 4 - Marked Copies**

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

**Exhibit 5 - Proposed Rule Text**

Add Remove View

SR-Phlx-2022-48 Exhibit 5.doc

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 certain rule text within Equity 2, Market Participants; Options 1, General Provisions; Options 2, Options Market Participants; Options 4A, Options Index Rules; Options 7, Pricing Schedule; and Options 10, Doing Business with the Public.

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

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

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

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

Angela Saccomandi Dunn  
Principal Associate General Counsel  
Nasdaq, Inc.  
(215) 496-5692

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

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

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

a. Purpose

The Exchange proposes to amend the description of the term “Short Term Option Series” within Options 1, Section 1, Definitions, to conform the term to Nasdaq ISE, LLC’s (“ISE”) term of Short Term Option Series which was recently amended.<sup>3</sup>

The Exchange also proposes certain other non-substantive amendments. Each change is described below.

Short Term Option Series

Options 1, Section 1(b)(53) describes the term “Short Term Option Series” as follows:

The term “Short Term Option Series” means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Monday, Tuesday, Wednesday, Thursday or Friday that is a business day and that expires on the Monday, Wednesday or Friday of the next business week, or, in the case of a series that is listed on a Friday and expires on a Monday, is listed one business week and one business day prior to that expiration. If a Tuesday, Wednesday, Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday, Wednesday, Thursday or Friday, respectively. For a series listed pursuant to this Rule for Monday expiration, if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday.

ISE’s Options 4 rules were recently amended to expand the Short Term Option Series Program to permit the listing and trading of options series with Tuesday and Thursday

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<sup>3</sup> See Securities Exchange Act Release No. 96281 (November 9, 2022), 87 FR 68769 (November 16, 2022) (SR-ISE-2022-18) (Order Granting Approval of a Proposed Rule Change to Amend the Short Term Option Series Program). Phlx’s Options 4 Rules are incorporated by reference to ISE’s Options 4 Rules and therefore the approval of ISE’s Options 4 rules permits the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ on Phlx.

expirations for options on SPY and QQQ listed pursuant to the Short Term Option Series Program.<sup>4</sup> In conjunction with that change, ISE amended its definition of Short Term Option Series, within Options 1, Section 1(a)(49), to accommodate the listing of options series that expire on Tuesdays and Thursdays.<sup>5</sup> Specifically, the Exchange added Tuesday and Thursday to the permitted expiration days, which currently include Monday, Wednesday, and Friday, that it may open a series for trading.

At this time, the Exchange proposes to amend the term “Short Term Option Series” at Options 1, Section 1(b)(53) to provide,

The term “Short Term Option Series” means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Monday, Tuesday, Wednesday, Thursday or Friday that is a business day and that expires on the Monday, Tuesday, Wednesday, Thursday, or Friday of the next business week, or, in the case of a series that is listed on a Friday and expires on a Monday, is listed one business week and one business day prior to that expiration. If a Tuesday, Wednesday, Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday, Wednesday, Thursday or Friday, respectively. For a series listed pursuant to this Rule for Monday expiration, if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday.

Today, Phlx’s listing rules permit the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ listed pursuant to the Short Term Option Series Program.

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<sup>4</sup> See note 3 above. Phlx’s Options 4 Rules are incorporated by reference to ISE’s Options 4 Rules.

<sup>5</sup> See note 3 above.

### Other Non-Substantive Amendments

The Exchange proposes to remove and reserve the rules within Equity 2, Section 3 and Options 2, Section 2 which are both titled, “Member and Member Organization Participation.” The Nasdaq Stock Market LLC (“Nasdaq”) recently filed to relocate a similar Nasdaq Rule into General 3, Rule 1032.<sup>6</sup> Phlx’s General 3 is incorporated by reference to Nasdaq’s General 3. The rules within Equity 2, Section 3 and Options 2, Section 2 are not necessary as they are nearly identical to Phlx General 3, Rule 1000 Series.<sup>7</sup>

The Exchange proposes to amend a rule citation to Streaming Quote Traders within Options 2, Section 1(a) and Options 7, Section 1(c). The correct citation should be to Options 1, Section 1(b)(55) where Streaming Quote Trader is described.

The Exchange proposes to remove a duplicative reference to Nasdaq-100<sup>®</sup> Volatility Index Options within Options 4A, Section 12(e)(II)(xi).

Finally, the Exchange proposes to reserve Options 10, Sections 26 and 27 to harmonize section numbers across the Nasdaq affiliated markets.<sup>8</sup> These sections contain content in other Nasdaq affiliated rulebooks.

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<sup>6</sup> See Securities Exchange Act Release No. 96132 (October 24, 2022), 87 FR 65272 (October 28, 2022) (SR-NASDAQ-2022-058) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Relocate Equity 2, Section 3).

<sup>7</sup> While the term “Floor Based Management System” or “FBMS” is not specifically noted within Phlx General 3, Rule 1032, the term “System” is utilized. FBMS is part of the Exchange’s System as that term is defined within Options 1, Section 1(b)(57).

<sup>8</sup> ISE, Nasdaq GEMX, LLC (“GEMX”) and Nasdaq MRX, LLC (“MRX”) have rules within Options 10, Section 26 and 27.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>9</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>10</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.

Short Term Option Series

The Exchange's proposal to amend the term "Short Term Option Series" at Options 1, Section 1(b)(53) to reflect the recent change<sup>11</sup> to ISE's listing rules, which Phlx incorporates by reference, to permit the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ listed pursuant to the Short Term Option Series Program is consistent with the Exchange Act. This proposal will align the description of Short Term Option Series within Options 1, Section 1(b)(53) to the expirations permitted within the Short Term Option Series Program within Supplementary .03 to Options 4, Section 5.

Other Non-Substantive Amendments

The Exchange's proposal to remove and reserve the rules within Equity 2, Section 3 and Options 2, Section 2 represent a non-substantive amendment. Nasdaq recently filed to relocate a similar Nasdaq Rule into General 3, Rule 1032.<sup>12</sup> Phlx's General 3 is

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<sup>9</sup> 15 U.S.C. 78f(b)

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>11</sup> See note 3 above.

<sup>12</sup> See note 6 above.

incorporated by reference to Nasdaq's General 3, therefore the rules within Equity 2, Section 3 and Options 2, Section 2 are not necessary as a nearly identical<sup>13</sup> rule exists within Phlx General 3, Rule 1000 Series.

The Exchange's proposal to amend a rule citation to Streaming Quote Traders within Options 2, Section 1(a) and Options 7, Section 1(c) is non-substantive.

The Exchange's proposal to remove a duplicative reference to Nasdaq-100<sup>®</sup> Volatility Index Options within Options 4A, Section 12(e)(II)(xi) is non-substantive.

Finally, the Exchange's proposal to reserve Options 10, Sections 26 and 27 is non-substantive.<sup>14</sup>

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

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

##### Short Term Option Series

The Exchange's proposal to amend the term "Short Term Option Series" at Options 1, Section 1(b)(53) to reflect the recent change<sup>15</sup> to ISE's listing rules, which Phlx incorporates by reference, to permit the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ listed pursuant to the Short Term Option Series Program does not impose an undue burden on competition, rather this proposal will align the description of Short Term Option Series within Options

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<sup>13</sup> See note 7 above.

<sup>14</sup> See note 9 above.

<sup>15</sup> See note 3 above.



1, Section 1(b)(53) to the expirations permitted within the Short Term Option Series Program within Supplementary .03 to Options 4, Section 5.

Other Non-Substantive Amendments

The Exchange's proposal to remove and reserve the rules within Equity 2, Section 3 and Options 2, Section 2 represent a non-substantive amendment. Nasdaq recently filed to relocate a similar Nasdaq Rule into General 3, Rule 1032.<sup>16</sup> Phlx's General 3 is incorporated by reference to Nasdaq's General 3, therefore the rules within Equity 2, Section 3 and Options 2, Section 2 are not necessary as a nearly identical<sup>17</sup> rule exists within Phlx General 3, Rule 1000 Series.

The Exchange's proposal to amend a rule citation to Streaming Quote Traders within Options 2, Section 1(a) and Options 7, Section 1(c) is non-substantive.

The Exchange's proposal to remove a duplicative reference to Nasdaq-100<sup>®</sup> Volatility Index Options within Options 4A, Section 12(e)(II)(xi) is non-substantive.

Finally, the Exchange's proposal to reserve Options 10, Sections 26 and 27 is non-substantive.<sup>18</sup>

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.

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<sup>16</sup> See note 6 above.

<sup>17</sup> See note 7 above.

<sup>18</sup> See note 9 above.

6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time period for Commission action.

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>19</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>20</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 believes that the proposal does not significantly affect the protection of investors or the public interest nor does the proposal impose any significant burden on competition. Amending the term “Short Term Option Series” at Options 1, Section 1(b)(53) to reflect the recent change<sup>21</sup> to ISE’s listing rules, which Phlx incorporates by reference, to permit the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ listed pursuant to the Short Term Option Series Program will align the description of Short Term Option Series within Options 1, Section 1(b)(53) to the expirations permitted within the Short Term Option

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<sup>19</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>20</sup> 17 CFR 240.19b-4(f)(6).

<sup>21</sup> See note 3 above.

Series Program within Supplementary .03 to Options 4, Section 5. The remainder of the proposed amendments are non-substantive.

Amending the term “Short Term Option Series” at Options 1, Section 1(b)(53) to reflect the recent change<sup>22</sup> to ISE’s listing rules, which Phlx incorporates by reference, to permit the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ listed pursuant to the Short Term Option Series Program will make clear the expirations permitted pursuant to Short Term Option Series Program. The remainder of the amendments are non-substantive.

Furthermore, Rule 19b-4(f)(6)(iii)<sup>23</sup> requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

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.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection

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<sup>22</sup> See note 3 above.

<sup>23</sup> 17 CFR 240.19b-4(f)(6)(iii).

of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that Phlx may immediately amend the definition of Short Term Option Series Program to conform the definition of a Short Term Option Series to the Options 4 listing rules. This change could immediately benefit market participants by avoiding confusion as the Phlx Options 4 rules are incorporated to ISE's Options 4 rules which permit the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ listed pursuant to the Short Term Option Series Program.<sup>24</sup>

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.

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<sup>24</sup> See note 3 above.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_ ; File No. SR-Phlx-2022-48)

November \_\_, 2022

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Definition of Short Term Option Series

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 November 22, 2022, 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 certain rule text within Equity 2, Market Participants; Options 1, General Provisions; Options 2, Options Market Participants; Options 4A, Options Index Rules; Options 7, Pricing Schedule; and Options 10, Doing Business with the Public.

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.

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

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

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

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

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

1. Purpose

The Exchange proposes to amend the description of the term “Short Term Option Series” within Options 1, Section 1, Definitions, to conform the term to Nasdaq ISE, LLC’s (“ISE”) term of Short Term Option Series which was recently amended.<sup>3</sup>

The Exchange also proposes certain other non-substantive amendments. Each change is described below.

Short Term Option Series

Options 1, Section 1(b)(53) describes the term “Short Term Option Series” as follows:

The term “Short Term Option Series” means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Monday, Tuesday, Wednesday, Thursday or Friday that is a business day and that expires on the Monday, Wednesday

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<sup>3</sup> See Securities Exchange Act Release No. 96281 (November 9, 2022), 87 FR 68769 (November 16, 2022) (SR-ISE-2022-18) (Order Granting Approval of a Proposed Rule Change to Amend the Short Term Option Series Program). Phlx’s Options 4 Rules are incorporated by reference to ISE’s Options 4 Rules and therefore the approval of ISE’s Options 4 rules permits the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ on Phlx.

or Friday of the next business week, or, in the case of a series that is listed on a Friday and expires on a Monday, is listed one business week and one business day prior to that expiration. If a Tuesday, Wednesday, Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday, Wednesday, Thursday or Friday, respectively. For a series listed pursuant to this Rule for Monday expiration, if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday.

ISE's Options 4 rules were recently amended to expand the Short Term Option Series Program to permit the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ listed pursuant to the Short Term Option Series Program.<sup>4</sup> In conjunction with that change, ISE amended its definition of Short Term Option Series, within Options 1, Section 1(a)(49), to accommodate the listing of options series that expire on Tuesdays and Thursdays.<sup>5</sup> Specifically, the Exchange added Tuesday and Thursday to the permitted expiration days, which currently include Monday, Wednesday, and Friday, that it may open a series for trading.

At this time, the Exchange proposes to amend the term "Short Term Option Series" at Options 1, Section 1(b)(53) to provide,

The term "Short Term Option Series" means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Monday, Tuesday, Wednesday, Thursday or Friday that is a business day and that expires on the Monday, Tuesday, Wednesday, Thursday, or Friday of the next business week, or, in the case of a series that is listed on a Friday and expires on a Monday, is listed one business week and one business day prior to that expiration. If a Tuesday, Wednesday, Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday, Wednesday, Thursday or Friday, respectively. For a series listed pursuant to this Rule for Monday expiration, if a Monday is not a business

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<sup>4</sup> See note 3 above. Phlx's Options 4 Rules are incorporated by reference to ISE's Options 4 Rules.

<sup>5</sup> See note 3 above.

day, the series shall expire on the first business day immediately following that Monday.

Today, Phlx's listing rules permit the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ listed pursuant to the Short Term Option Series Program.

#### Other Non-Substantive Amendments

The Exchange proposes to remove and reserve the rules within Equity 2, Section 3 and Options 2, Section 2 which are both titled, "Member and Member Organization Participation." The Nasdaq Stock Market LLC ("Nasdaq") recently filed to relocate a similar Nasdaq Rule into General 3, Rule 1032.<sup>6</sup> Phlx's General 3 is incorporated by reference to Nasdaq's General 3. The rules within Equity 2, Section 3 and Options 2, Section 2 are not necessary as they are nearly identical to Phlx General 3, Rule 1000 Series.<sup>7</sup>

The Exchange proposes to amend a rule citation to Streaming Quote Traders within Options 2, Section 1(a) and Options 7, Section 1(c). The correct citation should be to Options 1, Section 1(b)(55) where Streaming Quote Trader is described.

The Exchange proposes to remove a duplicative reference to Nasdaq-100<sup>®</sup> Volatility Index Options within Options 4A, Section 12(e)(II)(xi).

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<sup>6</sup> See Securities Exchange Act Release No. 96132 (October 24, 2022), 87 FR 65272 (October 28, 2022) (SR-NASDAQ-2022-058) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Relocate Equity 2, Section 3).

<sup>7</sup> While the term "Floor Based Management System" or "FBMS" is not specifically noted within Phlx General 3, Rule 1032, the term "System" is utilized. FBMS is part of the Exchange's System as that term is defined within Options 1, Section 1(b)(57).



Finally, the Exchange proposes to reserve Options 10, Sections 26 and 27 to harmonize section numbers across the Nasdaq affiliated markets.<sup>8</sup> These sections contain content in other Nasdaq affiliated rulebooks.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>9</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>10</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.

### Short Term Option Series

The Exchange's proposal to amend the term "Short Term Option Series" at Options 1, Section 1(b)(53) to reflect the recent change<sup>11</sup> to ISE's listing rules, which Phlx incorporates by reference, to permit the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ listed pursuant to the Short Term Option Series Program is consistent with the Exchange Act. This proposal will align the description of Short Term Option Series within Options 1, Section 1(b)(53) to the expirations permitted within the Short Term Option Series Program within Supplementary .03 to Options 4, Section 5.

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<sup>8</sup> ISE, Nasdaq GEMX, LLC ("GEMX") and Nasdaq MRX, LLC ("MRX") have rules within Options 10, Section 26 and 27.

<sup>9</sup> 15 U.S.C. 78f(b)

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>11</sup> See note 3 above.

### Other Non-Substantive Amendments

The Exchange's proposal to remove and reserve the rules within Equity 2, Section 3 and Options 2, Section 2 represent a non-substantive amendment. Nasdaq recently filed to relocate a similar Nasdaq Rule into General 3, Rule 1032.<sup>12</sup> Phlx's General 3 is incorporated by reference to Nasdaq's General 3, therefore the rules within Equity 2, Section 3 and Options 2, Section 2 are not necessary as a nearly identical<sup>13</sup> rule exists within Phlx General 3, Rule 1000 Series.

The Exchange's proposal to amend a rule citation to Streaming Quote Traders within Options 2, Section 1(a) and Options 7, Section 1(c) is non-substantive.

The Exchange's proposal to remove a duplicative reference to Nasdaq-100<sup>®</sup> Volatility Index Options within Options 4A, Section 12(e)(II)(xi) is non-substantive.

Finally, the Exchange's proposal to reserve Options 10, Sections 26 and 27 is non-substantive.<sup>14</sup>

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

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

### Short Term Option Series

The Exchange's proposal to amend the term "Short Term Option Series" at Options 1, Section 1(b)(53) to reflect the recent change<sup>15</sup> to ISE's listing rules, which

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<sup>12</sup> See note 6 above.

<sup>13</sup> See note 7 above.

<sup>14</sup> See note 9 above.

<sup>15</sup> See note 3 above.

Phlx incorporates by reference, to permit the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ listed pursuant to the Short Term Option Series Program does not impose an undue burden on competition, rather this proposal will align the description of Short Term Option Series within Options 1, Section 1(b)(53) to the expirations permitted within the Short Term Option Series Program within Supplementary .03 to Options 4, Section 5.

#### Other Non-Substantive Amendments

The Exchange's proposal to remove and reserve the rules within Equity 2, Section 3 and Options 2, Section 2 represent a non-substantive amendment. Nasdaq recently filed to relocate a similar Nasdaq Rule into General 3, Rule 1032.<sup>16</sup> Phlx's General 3 is incorporated by reference to Nasdaq's General 3, therefore the rules within Equity 2, Section 3 and Options 2, Section 2 are not necessary as a nearly identical<sup>17</sup> rule exists within Phlx General 3, Rule 1000 Series.

The Exchange's proposal to amend a rule citation to Streaming Quote Traders within Options 2, Section 1(a) and Options 7, Section 1(c) is non-substantive.

The Exchange's proposal to remove a duplicative reference to Nasdaq-100<sup>®</sup> Volatility Index Options within Options 4A, Section 12(e)(II)(xi) is non-substantive.

Finally, the Exchange's proposal to reserve Options 10, Sections 26 and 27 is non-substantive.<sup>18</sup>

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<sup>16</sup> See note 6 above.

<sup>17</sup> See note 7 above.

<sup>18</sup> See note 9 above.

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>19</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>20</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 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.

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<sup>19</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>20</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.

#### 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-2022-48 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-2022-48. 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-2022-48 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>21</sup>

J. Matthew DeLesDernier  
Assistant Secretary

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<sup>21</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

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

**Nasdaq PHLX LLC Rules**

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**Equity Rules**

\* \* \* \* \*

**Equity 2 Market Participants**

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**Section 3. Reserved Member and Member Organization Participation**

(a) Participation in the Exchange as a member or member organization requires current registration as such with the Exchange. Such registration shall be conditioned upon the member or member organization's initial and continuing compliance with the following requirements:

- (1) execution of applicable agreements with the Exchange;
- (2) membership in, or access arrangement with a member of, a clearing agency registered with the Commission which maintains facilities through which Exchange compared trades may be settled;
- (3) compliance with all applicable Rules and operating procedures of the Exchange and the Commission in the use of the System including, but not limited to, PSX.
- (4) maintenance of the physical security of the equipment located on the premises of the member or member organization to prevent the improper use or access to the Exchange's systems, including unauthorized entry of information into the Exchange's System; and
- (5) acceptance and settlement of each trade that the Exchange identifies as having been effected by such member or member organization, or if settlement is to be made through another clearing member, guarantee of the acceptance and settlement of such identified Exchange trade by the clearing member on the regularly scheduled settlement date; and
- (6) input of accurate information into the System, including, but not limited to, whether the member organization acted in a principal, agent, or riskless principal capacity.

A member's registration shall become effective upon receipt by the member or member organization of notice of an approval of registration by the Exchange. The registration required hereunder will apply solely to the qualification of a member or member

organization to participate in the System. Registration will qualify a member or member organization to trade all System Securities.

(b) Each member or member organization shall be under a continuing obligation to inform the Exchange of noncompliance with any of the registration requirements set forth above.

(c) The Exchange may impose upon any member or member organization such temporary restrictions upon the automated entry or updating of orders or quotes/orders as the Exchange may determine to be necessary to protect the integrity of the Exchange's systems. For example, such temporary restrictions may be necessary to address a system problem at a particular member or member organization or at the Exchange, or an unexpected period of extremely high message traffic. The scope of any such restrictions shall be communicated to the affected member or member organization in writing.]

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## Options Rules

### Options 1 General Provisions

#### Section 1. Applicability, Definitions and References

\* \* \* \* \*

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

\* \* \* \* \*

(53) The term “**Short Term Option Series**” means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Monday, Tuesday, Wednesday, Thursday or Friday that is a business day and that expires on the Monday, Tuesday, Wednesday, Thursday, or Friday of the next business week, or, in the case of a series that is listed on a Friday and expires on a Monday, is listed one business week and one business day prior to that expiration. If a Tuesday, Wednesday, Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday, Wednesday, Thursday or Friday, respectively. For a series listed pursuant to this section for Monday expiration, if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday.

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### Options 2 Options Market Participants

#### Section 1 Application for Approval as an SQT, RSQT, or RSQTO and Assignment in Options



(a) Approval as an SQT, RSQT, or RSQTO. Market Makers, as defined in Options 1, Section 1(b)(28), may apply for approval as Streaming Quote Traders ("SQTs") and Remote Streaming Quote Traders ("RSQTs"), as defined in Options 1, Sections (1)(b)[ ](5[4]5) and (49), respectively. Member organizations may function as Remote Streaming Quote Trader Organizations ("RSQTOs") pursuant to this rule. RSQTOs may also be referred to as Remote Market Maker Organizations ("RMOs") and RSQTs may also be referred to as Remote Market Makers ("RMMs").

\* \* \* \* \*

## **Section 2. Reserved Member and Member Organization Participation**

(a) Participation in the Exchange as a member or member organization requires current registration as such with the Exchange. Such registration shall be conditioned upon the member or member organization's initial and continuing compliance with the following requirements:

- (1) execution of applicable agreements with the Exchange;
- (2) membership in, or access arrangement with a member of, a clearing agency registered with the Commission which maintains facilities through which Exchange compared trades may be settled;
- (3) compliance with all applicable Rules and operating procedures of the Exchange and the Commission in the use of the System, including but not limited to, the Floor Based Management System ("FBMS").
- (4) maintenance of the physical security of the equipment located on the premises of the member or member organization to prevent the improper use or access to the Exchange's systems, including unauthorized entry of information into the Exchange's System; and
- (5) acceptance and settlement of each trade that the Exchange identifies as having been effected by such member or member organization, or if settlement is to be made through another clearing member, guarantee of the acceptance and settlement of such identified Exchange trade by the clearing member on the regularly scheduled settlement date; and
- (6) input of accurate information into the System, including, but not limited to, whether the member organization acted in a principal, agent, or riskless principal capacity.

A member's registration shall become effective upon receipt by the member or member organization of notice of an approval of registration by the Exchange. The registration required hereunder will apply solely to the qualification of a member or member organization to participate in the System. Registration will qualify a member or member organization to trade all System Securities.

(b) Each member or member organization shall be under a continuing obligation to inform the Exchange of noncompliance with any of the registration requirements set forth above.

(c) The Exchange may impose upon any member or member organization such temporary restrictions upon the automated entry or updating of orders or quotes/orders as the Exchange may determine to be necessary to protect the integrity of the Exchange's systems. For example, such temporary restrictions may be necessary to address a system problem at a particular member or member organization or at the Exchange, or an unexpected period of extremely high message traffic. The scope of any such restrictions shall be communicated to the affected member or member organization in writing.]

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### **Options 4A Options Index Rules**

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### **Section 12. Terms of Index Options Contracts**

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(e) A.M.-Settled Index Options. The last day of trading for A.M.-settled index options shall be the business day preceding the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, the business day preceding the last day of trading in the underlying securities prior to the expiration date. The current index value at the expiration of an A.M.-settled index option shall be determined, for all purposes under these Rules and the Rules of The Options Clearing Corporation, on the last day of trading in the underlying securities prior to expiration, by reference to the reported level of such index as derived from first reported sale (opening) prices of the underlying securities on such day, except that:

\* \* \* \* \*

(II) in the event that the primary market for an underlying security is open for trading on that day, but that particular security does not open for trading on that day, the price of that security, for the purposes of calculating the current index value at expiration, shall be the last reported sale price of the security. The following A.M.-settled index options are approved for trading on the Exchange on the following indexes:

- (i) PHLX Semiconductor Sector Index;
- (ii) PHLX Housing Sector Index;
- (iii) PHLX Oil Service Sector Index;
- (iv) KBW Bank Index;
- (v) Full Value Nasdaq-100<sup>®</sup> Index;
- (vi) Reduced Value Nasdaq-100<sup>®</sup> Index;

- (vii) Nasdaq 100 Micro Index;
- (viii) PHLX Utility Sector Index;
- (ix) PHLX Gold/Silver Sector Index; and
- (x) Nasdaq-100® Volatility Index.
- [(xi) Nasdaq-100® Volatility Index Options]

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**Options 7 Pricing Schedule**

**Section 1 General Provisions**

\* \* \* \* \*

(c) For purposes of assessing options fees and paying rebates, the following references should serve as guidance.

\* \* \* \* \*

The term "**Streaming Quote Trader**" is defined in Options 1, Section 1(b)(5[4]5) as a Market Maker who has received permission from the Exchange to generate and submit option quotations electronically in options to which such SQT is assigned.

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**Options 10 Doing Business With the Public**

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**Section 26. Reserved**

**Section 27. Reserved**

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