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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-75558; File No. SR-Phlx-2015-67)

July 30, 2015

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to a Delay of Implementation Related to the Volume-Based and Multi-Trigger Thresholds

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 July 21, 2015, NASDAQ OMX PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II, 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 extend the implementation timeframe for adopting two new Phlx Market Maker³ risk protections, a volume-based threshold and a multi-trigger threshold.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A “Market Maker” includes Registered Options Traders (“ROT”) (Rule 1014(b)(i) and (ii)), which includes Streaming Quote Traders (“SQT”) (See Rule 1014(b)(ii)(A)) and Remote Streaming Quote Traders (“RSQT”) (See Rule 1014(b)(ii)(B)). An SQT is defined in Exchange Rule 1014(b)(ii)(A) as an ROT who has received permission from the Exchange to generate and submit option quotations electronically in options to which such SQT is assigned. An RSQT is defined in Exchange Rule 1014(b)(ii)(B) as an ROT that is a member or member organization with no physical trading floor presence who has received permission from the Exchange to generate and submit option quotations electronically in options to which such RSQT has been assigned. An RSQT may only submit such

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

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

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

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

1. Purpose

The purpose of the proposal is to extend the implementation of the Exchange's amendments to Phlx Exchange Rule 1095 entitled "Automated Removal of Market Maker Quotes."⁴ In its rule change regarding the two new risk protections, the Exchange stated that it proposes to "...implement this rule within thirty (30) days of the operative date. The Exchange will issue an Options Trader Alert in advance to inform market participants of such date."⁵ At this time, the Exchange desires to extend the implementation of this rule change and request that it implement the rule within (60) days

quotations electronically from off the floor of the Exchange. A Market Maker also includes a specialist, an Exchange member who is registered as an options specialist pursuant to Rule 1020(a).

⁴ This rule became immediately effective on June 22, 2015. Securities Exchange Act Release No. 75372 (July 7, 2015), 80 FR 40107 (July 13, 2015) (SR-Phlx-2015-52).

⁵ See note 4.

of the operative date. The Exchange will announce the date of implementation by issuing an Options Trader Alert.

By way of background, these risk protections are intended to assist Market Makers to control their trading risks.⁶ Specifically, the risk protections establish: (1) a threshold used to calculate each Market Maker's total volume executed in all series of an underlying security within a specified time period and to compare that to a pre-determined threshold ("Volume-Based Threshold"), and (2) a threshold used to measure the number of times the Phlx XL system ("System") has triggered⁷ based on the Risk Monitor Mechanism ("Percentage-Based Threshold") pursuant to Rule 1093 and Volume-Based Thresholds within a specified time period and to compare that total to a pre-determined threshold ("Multi-Trigger Threshold").⁸

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act¹⁰ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by enhancing the risk protections

⁶ See Rule 1014 entitled "Obligations and Restrictions Applicable to Specialists and Registered Options Traders."

⁷ A trigger is defined as the event which causes the System to automatically remove all quotes in all options series in an underlying issue.

⁸ The details of the two risk protections are described in the initial filing. See Securities Exchange Act Release No. 75372 (July 7, 2015), 80 FR 40107 (July 13, 2015) (SR-Phlx-2015-52).

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

available to Exchange members. The proposal promotes policy goals of the Commission, which has encouraged execution venues, exchange and non-exchange alike, to enhance risk protection tools and other mechanisms to decrease risk and increase stability.

The delay of the implementation of Phlx Rule 1095 will permit the Exchange an additional thirty days within which to implement these risk protections that will be utilized by Phlx 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. With respect to the risk protections, the proposal will not impose a burden on intra-market or inter-market competition; rather it provides Market Makers with the opportunity to avail themselves of similar risk tools that are currently available on other exchanges.¹¹ The proposal does not impose a burden on inter-market competition, because members may choose to become market makers on a number of other options exchanges, which may have similar but not identical features.¹² The proposed rule change is meant to protect Market Makers from inadvertent exposure to excessive risk. Accordingly, the proposed rule change will have no impact on competition.

The delay of the implementation of Phlx Rule 1095 will permit the Exchange additional time to implement these risk protections that will be utilized by Phlx Market Makers.

¹¹ See Section 8 of Form 19b-4 with respect to this proposed rule change.

¹² See BATS Rule 21.16, BOX Rules 8100 and 8110, C2 Rule 8.12, CBOE Rule 8.18, ISE Rule 804(g), MIAX Rule 612, NYSE MKT Rule 928NY and NYSE Arca Rule 6.40.

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)(ii) of the Act¹³ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁴ The Exchange has requested that the Commission waive the thirty-day operative delay so that the proposal may become operative immediately. The Exchange states that waiving the thirty-day operative delay will enable it to implement these risk protections within the new timeframe. The Commission believes that waiving the thirty day delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the thirty-day operative delay and designates the proposal effective upon filing.¹⁵

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

¹³ 15 U.S.C. 78s(b)(3)(a)(ii).

¹⁴ 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.

¹⁵ For purposes of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-2015-67 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-2015-67. 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-2015-67 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.¹⁶

Robert W. Errett
Deputy Secretary

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¹⁶ 17 CFR 200.30-3(a)(12).