

limit orders, that is not available for conventionally traded ETFs.

These developments could significantly enhance competition to the benefit of the markets and investors.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) By order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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 email to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2017-124 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-NASDAQ-2017-124. This file number should be included on the subject line if email 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 Web site 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NASDAQ-2017-124 and should be submitted on or before December 26, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁰

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2017-26121 Filed 12-4-17; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82171; File No. SR-GEMX-2017-54]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt a Shell Structure for the GEMX Rulebook

November 29, 2017.

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 November 17, 2017, Nasdaq GEMX, LLC ("GEMX" or "Exchange") filed with the Securities and Exchange Commission ("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 the Substance of the Proposed Rule Change

The Exchange proposes to adopt a shell structure for the GEMX rulebook

("Rulebook") as part of its initiative to structure its Rulebook.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqgemx.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

On March 9, 2016, Nasdaq, Inc. acquired the capital stock of U.S. Exchange Holdings, thereby indirectly acquiring all of the interests of the International Securities Exchange, LLC (now Nasdaq ISE, LLC), ISE Gemini, LLC (now GEMX) and ISE Mercury, LLC (now Nasdaq MRX, LLC) ("MRX").³ The acquisition resulted in a total of six self-regulatory organization licenses for Nasdaq, Inc. which, in addition to the three aforementioned exchanges, also include The Nasdaq Stock Market LLC ("Nasdaq"), Nasdaq PHLX LLC ("Phlx") and Nasdaq BX, Inc. ("BX") (collectively, "Nasdaq Entities").

The Exchange is planning to conform the chapters of the various Nasdaq Entity rulebooks for efficiency, and conformity of certain Nasdaq Entity processes. The Exchange believes that aligning the rules of the Nasdaq Entities will assist market participants in navigating the various rulebooks. Specifically, the Exchange proposes to add a shell structure which would reside alongside the current rulebook. The proposed shell would outline the various chapters of the future rulebook

³ See Securities Exchange Act Release No. 78119 (June 21, 2016), 81 FR 41611 (June 27, 2016) (SR-ISE-2016-11; SR-ISE Gemini-2016-05; SR-ISE Mercury-2016-10) (Order Granting Accelerated Approval of Proposed Rule Changes, Each as Modified by Amendment No. 1 Thereto, Relating to a Corporate Transaction in Which Nasdaq, Inc. Will Become the Indirect Parent of ISE, ISE Gemini, and ISE Mercury).

⁴⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

and contains new chapter numbering. A similar shell would be filed to add the same structure to each of the other Nasdaq Entities. The proposed chapters would be similar for each shell filed for each of the Nasdaq Entities. In subsequent rule changes, each of the Nasdaq Entities would file rule changes to move their current rules into the various chapters of the proposed shells for all six markets and delete the migrated rule from the current location in the Rulebook.⁴ The proposed shell would contain a general rule section and product specific section, in this case options, which would encompass all the rules of the Exchange.

The Exchange believes this new structure would align the Nasdaq Entities' rulebooks for ease of use by Members, who are members of more than one Nasdaq Entity. This proposal would not amend the current Rulebook and is therefore not a substantive change. A Member would continue to be able to view the current Rulebook alongside the proposed reorganized Rulebook. Subsequent rule changes will be filed to move the rule text into the shell Rulebook.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁵ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁶ 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 starting the process of organizing its rules in a manner which is clear and consistent across the Nasdaq Entities. The Exchange believes that coordinating the chapters of the rulebooks among the Nasdaq Entities will provide Members, who are members of more than one Nasdaq Entity, with consistency and ease of reference in locating rules.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed changes do not impose a burden on competition because the proposed amendments are non-substantive, are intended to start the

process to organize the rules of the Exchange in a manner that will be more user-friendly to Nasdaq Entity members.

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 Act⁷ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁸

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)⁹ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the proposed rule change will become operative upon filing. The Exchange states that such waiver will enable the Exchange to start the process to reorganize the rulebooks of the Nasdaq Entities. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because the proposal does not raise any novel issues and waiver will allow the Exchange to begin the reorganization of its Rulebook without delay. Therefore, the Commission hereby waives the operative delay and designates the proposed rule change operative upon filing.¹⁰

At any time within 60 days of the filing of the proposed rule change, the

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

IV. Solicitation of Comments

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

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-GEMX-2017-54 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-GEMX-2017-54. This file number should be included on the subject line if email 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 Web site 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should

⁴ When relocating the current rule text into the new shell, the Exchange shall not amend the rule text but simply move existing rule text.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78s(b)(3)(A)(iii).

⁸ 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and the text of 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.

⁹ 17 CFR 240.19b-4(f)(6)(iii).

¹⁰ For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

submit only information that you wish to make available publicly. All submissions should refer to File Number SR–GEMX–2017–54, and should be submitted on or before December 26, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82170; File No. SR–PHLX–2017–96]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Section (a)(i)(D) of Rule 1012, Series of Options Open for Trading

November 29, 2017.

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 November 17, 2017, Nasdaq PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“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 Section (a)(i)(D) of Rule 1012, Series of Options Open for Trading, to delete two sentences regarding opening for trading of long term option series, which sentences have effectively been superseded by another rule.

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

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

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

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

1. Purpose

Section (a)(i)(D) of Rule 1012 currently provides that the Exchange may list, with respect to any class of stock or Exchange-Traded Fund Share options series, options having from twelve up to thirty-nine months from the time they are listed until expiration. There may be up to six expiration months. Strike price interval, bid/ask differential and continuity rules shall not apply to such options series until the time to expiration is less than nine months.

Section (a)(i)(D) also provides in its last two sentences that such option series will open for trading either when there is buying or selling interest, or 40 minutes prior to the close, whichever occurs first, and that no quotations need to be posted for such option series until they are opened for trading. The Exchange proposes to delete the outdated provision of Section (a)(i)(D) regarding the time of opening as inconsistent with, and unnecessary in view of, Rule 1017. Openings in Options, which governs in detail all openings on the Exchange, including openings in long term option series.³ The Exchange proposes to delete the Section (a)(i)(D) provision that no quotations need to be posted for such option series until they are opened for trading as superfluous, given that no quotations need to be posted for any series of options traded on the Exchange until they are opened for trading.⁴

³ The Exchange recently amended Rule 1017, Openings in Options, which clarified the manner in which the opening process occurs on Phlx. See Securities Exchange Act Release No. 80820 (May 31, 2017), 82 FR 26171 (June 6, 2017) (SR–Phlx–2017–40).

⁴ The Exchange interprets “posted” in Section (a)(i)(D) as meaning published on the Options Price Reporting Authority (“OPRA”). Rule 1017(d)(iii)

Rule 1017 does provide in great detail for a fully automated opening of trading when there is buying or selling interest in all options series, including long term option series. Generally speaking, the fully automated opening process begins when either (1) a “valid width” specialist quote is submitted, (2) valid width quotes are received from at least two Exchange market makers within two minutes of the opening trade or quote in the underlying security or (3) after two minutes of the opening trade or quote in the underlying, valid width quotes are received from one Exchange market maker. If an opening imbalance exists outside of an acceptable range, the system will initiate an imbalance process. During this process the Exchange will consider interest on the Exchange as well as interest on away exchanges. If there is not an opening imbalance outside of an acceptable range on the Exchange, the system will verify that a “quality opening market” exists in order to validate the opening price prior to executing interest on the opening. A quality opening market is a bid/ask spread with an acceptable differential as defined by the Exchange. The bid/ask spread is made up of the best available bid, on the Exchange as well as away markets, and the best available offer, on the Exchange as well as away market. The acceptable bid/ask spread differentials can be found on the Exchange’s Web site.

Rule 1017 does not provide for the opening of long term option series 40 minutes prior to the close. The Exchange proposes to remove this inconsistent anachronism, still found in Rule 1012(A)(i)(D), as the Exchange no longer believes that long term options warrant special opening treatment but should open like other options under Rule 1017, pursuant to a fully automated process in which options open once certain precise conditions have been met. Although removing the provision that long term option series must open forty minutes prior to the close of trading even if there is no buying or selling interest, the Exchange believes it will be rare for a long term option series not to have buying or selling interest in any event, due to Exchange members’ quoting obligations.

provides that “[t]he Specialist assigned in a particular equity or index option must enter a Valid Width Quote, in 90% of their assigned series, not later than one minute following the dissemination of a quote or trade by the market for the underlying security or, in the case of index options, following the receipt of the opening price in the underlying index.” The quote resulting from the Specialist’s obligation under Rule 1017(d)(iii) is considered in the opening process of Rule 1017, and the Exchange publishes a quote in the option series once the option has been opened pursuant to that rule.

¹¹ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.