

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-76737; File No. SR-Phlx-2015-102)

December 22, 2015

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Delete Rule 1068, Execution of Multi-Part Orders

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 December 15, 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, 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 delete Rule 1068, Execution of Multi-Part Orders, as described further below.

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

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

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

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 filing is to update the Exchange’s rulebook by deleting Rule 1068, Execution of Multi-Part Orders.<sup>3</sup> This rule pertains to the execution of a foreign currency options – futures multi-part order, which is a type of spread order that consists of multiple components.<sup>4</sup> Rule 1068 was adopted when the Exchange operated a trading floor for both foreign currency options and foreign currency futures (which were traded on the Philadelphia Board of Trade (“PBOT”), a futures exchange). The rule enumerates the process for representing and executing a foreign currency options – futures multi-part order in the trading crowd.

PBOT has long been replaced by successive futures exchanges (NASDAQ Futures Exchange, Inc. and, most recently, NASDAQ Futures, Inc. (collectively “NFX”). NFX operates as an all-electronic futures exchange, such that no trading floor exists<sup>5</sup> upon which an order with a futures component can be executed. Although foreign currency options can be executed on the

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<sup>3</sup> See Securities Exchange Act Release No. 28117 (June 14, 1990), 55 FR 25188 (June 20, 1990) (SR-Phlx-89-58).

<sup>4</sup> In Rule 1066(c), the Exchange previously defined a multi-part order as an order to buy and/or sell a stated number of foreign currency option contracts and a stated number of foreign currency futures contracts. This order type was deleted. See Securities Exchange Act Release No. 69471 (April 29, 2013), 78 FR 26096 (May 3, 2013) (SR-Phlx-2013-09).

<sup>5</sup> See SR-NFX-2009-04. This rule self-certification was filed with the Commodity Futures Trading Commission on March 26, 2009 and eliminated open outcry rules in connection with the termination of floor trading.

options trading floor, futures orders cannot. Rule 1068 refers to the execution of this order pursuant to NFX Rule 327, which no longer exists.<sup>6</sup>

Rule 1068 inadvertently remained in the rulebook after NFX no longer operated with a trading floor, and is now proposed to be deleted.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>7</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>8</sup> in particular, in that it is designed to promote just and equitable principles of trade and protect investors and the public interest, by eliminating an obsolete rule and thereby preventing confusion as to whether such a multi-part order can be executed. Eliminating the execution rule associated with multi-part orders promotes just and equitable principles of trade, because the order type itself was previously deleted, and because it is impossible to trade. Eliminating this rule is also consistent with the protection of investors and the public interest because investors would not reasonably expect to be able to execute such an order and there has been no demand for this order.

### 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. There are no market participants impacted by the deletion of this rule. This rule was specifically intended to permit NFX members to transact business on a trading floor, which no longer exists. Further, the Exchange does not list these products and therefore no market participant may transact foreign currency futures. Those Phlx members desiring to transact foreign currency options may

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<sup>6</sup> Id.

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

continue to trade those securities on Phlx. Accordingly, there is no impact on intra-market competition. Market participants who seek to trade in foreign currency options along with foreign currency futures can do so by submitting separate orders to various securities and futures exchanges.

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>9</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>10</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: (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.

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<sup>9</sup> 15 U.S.C. 78s(b)(3)(a)(iii).

<sup>10</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-2015-102 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-2015-102. 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 website (<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-2015-102 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>11</sup>

Brent J. Fields  
Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).