

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. 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-NYSE-2021-50 and should be submitted on or before October 12, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>27</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-93003; File No. SR-NASDAQ-2021-070]

### Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Incorporate NOM Options 4 Rules by Reference to Nasdaq ISE, LLC Options 4 Rules

September 15, 2021.

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 September 3, 2021, The Nasdaq Stock Market LLC ("Nasdaq" 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 incorporate The Nasdaq Options Market LLC ("NOM") Options 4 Rules by reference to Nasdaq ISE, LLC ("ISE") Options 4 Rules.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules>, 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 NOM Options 4 Listing Rules provide for the options that may be listed and traded on NOM. The Exchange proposes to incorporate the NOM Options 4 Rules by reference to Nasdaq ISE, LLC ("ISE") Options 4 Rules.

Currently, the NOM Options 4 Rules are very similar to the ISE Options 4 Rules. The differences between the NOM and ISE Options 4 Rules are non-substantive technical differences.<sup>3</sup> Other

<sup>3</sup> NOM Options 4, Section 2 has an extra "as". NOM Options 4, Section 3(a)(1) contains a "The" instead of "the." NOM Options 4, Section 3(b) uses the term "foregoing" as compared to "forgoing" on ISE. NOM Options 4, Section 3(h) defines the term "NMS stock" whereas ISE defines the term "NMS." NOM Options 4, Section 3(k)(1)(B) has an extra "this." The term "such" within NOM Options 4, Section 4(f)(5) is lowercase. The title "Supplementary Material to Options 4, Section 6" within Options 4, Section 4 should instead state, "Supplementary Material to Options 4, Section 4." NOM Options 4, Section 5(a) has an extra "by the Exchange." NOM Options 4, Section 5(b) has a "the" and ISE Options 4, Section 5(b) has a "that." Options 4, Section 5(e) has a lowercase "rule" and unlike the same rule in ISE does not have the

changes are non-substantive word choice differences.<sup>4</sup> Finally, certain rules utilize the phrase "this Rule" instead of a citation.<sup>5</sup> Of note, NOM Options 4, Section 3(h) does not list reverse repurchase agreements in the defined term "Financial Instruments". The Exchange proposes to include "reverse repurchase agreements" within the list of securities deemed appropriate for options trading on NOM in order that the Exchange may list the same products as ISE may list today. Also, NOM Options 4, Section 8(a) should include the words "and continuity." NOM's continuity rules utilize the LEAP

registered trademarks. NOM Supplementary .01(a) to Options 4, Section 5 uses "\$50" instead of "\$50.00," has the term "option" instead of "options," spells out "one hundred fifty" and incorrectly uses the term "LEAPS" instead of "LEAPs." NOM Supplementary .01(b) to Options 4, Section 5 has the terms "security" instead of "stock" and "the" instead of "its." NOM Supplementary .01(d) to Options 4, Section 5 uses the term "Strike Program" instead of "Strike Price Program;" uses an extra "the"; and phrases the last paragraph as, "Notwithstanding the above delisting policy, the Exchange may grant member requests to add strikes and/or maintain strikes in series of options classes traded pursuant to the \$1 Strike Program that are eligible for delisting." The last paragraph of ISE Supplementary .01(d) to Options 4, Section 5 states, "Notwithstanding the above delisting policy, Member requests to add strikes and/or maintain strikes in series of options classes traded pursuant to the \$1 Strike Price Interval Program that are eligible for delisting may be granted." These differences are non-substantive. NOM Supplementary .02(d) to Options 4, Section 5 has the term "section" instead of "Rule." NOM Supplementary .03(e) to Options 4, Section 5 has rule in lowercase. NOM Options 4, Section 6(a) uses a different phrase than ISE Options 4, Section 6(a), "Select provisions of the OLPP" versus "The provisions set forth in this Rule". This aforementioned difference is non-substantive. NOM Options 4, Section 6(b)(3) uses the term "options" instead of "option." NOM Options 4, Section 6(b)(ii)(1) uses the term "options" instead of "option," the term "Strike Program" instead of "Strike Price Interval Program" and, "rules" instead of "Rules." NOM Options 4, Section 9 uses the term "Fund Shares" instead of "Exchange-Traded Fund Shares."

<sup>4</sup> NOM Options 4, Section 4(b)(5) should cite to "Options 4, Section 3(c)" instead of "Options 4, Section 3." In addition, NOM Options 4, Section 4(b)(5) has two stray commas. NOM Options 4, Section 4(f) has an extra "in". NOM Options 4, Section 4(g)(2) has an extra "of Options 4" and two stray commas. NOM Options 4, Section 5(d) incorrectly cites to Section 3(i) instead of Section 3(h). NOM Options 4, Section 6(b) incorrectly cites to Section 3(i) instead of Section 3(h). NOM Options 4, Section 6(b)(i) incorrectly cites to Supplementary Material .03(d) instead of Supplementary Material .02(d). This paragraph also uses the term "options" instead of "option."

<sup>5</sup> See NOM Options 4, Section 3(c)(2). NOM utilizes citations to Options 4, Section 3(b)(1) and Options 4, Section 3(b)(2) instead of simply citing to "this Rules" as is the case with ISE Options 4, Section 3(c)(2). Other examples include NOM Options 4, Section 3(c)(3) which cites to Options 4, Section 3(b)(4), NOM Options 4, Section 3(c)(4)(B)(ii) which cites to Options 4, Section 3(b)(5)(i).

<sup>27</sup> 17 CFR 200.30-3(a)(12).

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

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

term. ISE has this rule text within its Options 4, Section 8(a).

The Exchange proposes to incorporate by reference the NOM Options 4 Rules to ISE Options 4 Rules. To that end, NOM proposes to replace the current NOM Options 4 Rules with the following rule text:

The rules contained in Nasdaq ISE Options 4, as such rules may be in effect from time to time (the “Options 4 Rules”), are hereby incorporated by reference into this NOM Options 4, and are thus NOM Rules and thereby applicable to NOM Participants. NOM Participants shall comply with the Options 4 Rules as though such rules were fully set forth herein. All defined terms, including any variations thereof, contained in the Options 4 Rules shall be read to refer to the NOM related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: The defined term “Exchange” in the Options 4 Rules shall be read to refer to NOM; the defined term “Rule” in the Options 4 Rules shall be read to refer to the NOM Rule; the defined terms “Competitive Market Maker” and “Market Maker” in the Options 4 Rules shall be read to refer to the NOM Market Maker (NOM does not have an equivalent to the “Lead Market Maker” term on ISE); and the defined terms “Electronic Access Member,” “EAM,” or “Member” in the Options 4 Rules shall be read to refer to the NOM Participant.

This rule text will account for differences that may exist in the usage of terms as between NOM and ISE. The proposed rule text list instances in which cross references in the ISE Options 4 Rules to NOM Options 4 Rules shall be read to refer instead to the Exchange Rules, and references to ISE terms (whether or not defined) shall be read to refer to the Exchange-related meanings of those terms. For instance, references to defined terms “Exchange” or “ISE” shall be read to refer to ISE.

The Exchange proposes to delete in their entirety the NOM Options 4 Rules and incorporate by reference the ISE Options 4 Rules.<sup>6</sup> Today, the rules of Nasdaq GEMX, LLC and Nasdaq MRX, LLC are incorporated by reference to the rules of ISE. The Exchange will also separately file to incorporate the Options 4 Rules of Nasdaq BX, Inc. and Nasdaq Phlx LLC to the ISE Options 4 Rules once those exchanges conform those rules, respectively, to ISE. The Exchange believes that harmonizing the Options 4 Rules across its 6 Nasdaq Affiliated Options Exchanges will assist the Exchange in listing options across

<sup>6</sup> The Exchange will separately request an exemption from the rule filing requirements of Section 19(b) of the Act for changes to NOM Options 4 Rules to the extent such rules are affected solely by virtue of a change to ISE Options 4 Rules. The Exchange’s proposed rule change will not become effective unless and until the Commission grants this exemption request.

its affiliated markets. Also, incorporating by reference the ISE Options 4 Rules into the Exchange’s rulebook will organize those listing rules in a more logical order, thereby eliminating unnecessary complexity in the listing process and otherwise streamlining the Exchange’s existing listing rules and their associated procedures.

## 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 to protect investors and the public interest. The Exchange believes that its proposal to delete its existing listing rules and incorporate by reference the ISE Options 4 Rules will promote a free and open market, and will benefit investors, the public, and the markets, because the new rules will be clearer, better organized, and simpler. Also, the proposal is just and equitable because it will render the Exchange’s listing rules easier for Participants to read and understand.

### 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 Exchange does not expect that its proposed changes to incorporate NOM’s Options 4 Rules to ISE’s Options 4 Rules will have any competitive impact on NOM’s listing rules, to the contrary, the Exchange hopes that by clarifying, reorganizing, and streamlining its listing rules, the Exchange’s listing process will be clear. The proposed changes will apply equally to all market participants.

### 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

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

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

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 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.

## 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](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2021-070 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-2021-070. 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 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

<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.

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. 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-2021-070 and should be submitted on or before October 12, 2021.

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

**J. Matthew DeLesDernier,**  
*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-92986; File No. SR-Phlx-2021-52]

### Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt Phlx Options 10, Section 5, Branch Office, and Options 10, Section 17, Profit Sharing Rules

September 15, 2021.

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 September 3, 2021, Nasdaq PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. Phlx filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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 adopt new Phlx Options 10, Section 5, Branch Office, and Options 10, Section 17, Profit Sharing. The Exchange also proposes to amend General 9, Section 58, and Options 10, Section 6, Opening of Accounts.

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.

#### 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 adopt two new rules at Options 10, Section 5, Branch Office, and Options 10, Section 17, Profit Sharing. The Exchange also proposes to amend General 9, Section 58 and Options 10, Section 6, Opening of Accounts. Each change will be described below.

###### Options 10, Section 5

The Exchange proposes to adopt a new Options 10, Section 5, titled "Branch Offices." Options 10, Section 5 is currently reserved. The proposed rule would be similar to Nasdaq BX, Inc. ("BX") and The Nasdaq Options Market LLC ("NOM") Options 10, Section 5. The proposed rule text would provide,

(a) Every OEF approved to do options business with the public under this Options 10 shall file with Phlx Regulation and keep current a list of each of its branch offices showing the location of each such office and the name of the manager of each such office.

(b) No branch office of an OEF shall transact options business with the public unless the manager of such branch office has

been qualified as a Options Principal or General Securities Sales Supervisor; provided, that this requirement shall not apply to branch offices in which not more than three (3) representatives are located so long as the OEF can demonstrate to the satisfaction of Phlx Regulation that the options activities of such branch offices are appropriately supervised by a Options Principal or General Securities Sales Supervisor.

Similar to BX and NOM, Phlx would require every Order Entry Firm or "OEF"<sup>5</sup> that is approved to do business with the public pursuant to Options 10 to file with Phlx Regulation a list of each branch office. The list must include the location of the branch office and the name of the manager of the office. The OEF must keep this list current. Further, an OEF must ensure that the branch office manager is qualified prior to transacting business with the public in the branch office. A manager must be registered as an Options Principal or General Securities Sales Supervisor, unless there are not more than three representatives in that branch office and the OEF can demonstrate to the satisfaction of Phlx Regulation that the options activities of such branch offices are appropriately supervised by an Options Principal or General Securities Sales Supervisor.

Currently, Phlx General 4,<sup>6</sup> Section 1220(a)(8)<sup>7</sup> and Supplementary Material .04 of that rule<sup>8</sup> require the manager to be registered as an Options Principal or General Securities Sales Supervisor. In

<sup>5</sup> The term "Order Entry Firm" or "OEF" means a member organization that submits orders, as agent or principal, on the Exchange. See Phlx Options 1, Section 1(b)(32).

<sup>6</sup> Phlx General 4 is incorporated by reference to the General 4 Rules of The Nasdaq Stock Market LLC.

<sup>7</sup> General 4, Rule 1220(a)(8) provides, in part, "Each member that is engaged in transactions in options with the public shall have at least one Registered Options Principal. In addition, each principal as defined in paragraph (a)(1) of this Rule who is responsible for supervising a member's options sales practices with the public shall be required to register with the Exchange as a Registered Options Principal, subject to the following exception. If a principal's options activities are limited solely to those activities that may be supervised by a General Securities Sales Supervisor, then such person may register as a General Securities Sales Supervisor pursuant to paragraph (a)(10) of this Rule in lieu of registering as a Registered Options Principal."

<sup>8</sup> Supplementary Material .04 to General 4, Rule 1220 provides, in part, "Any person required to be registered as a principal who supervises sales activities in corporate, municipal and option securities, investment company products, variable contracts, direct participation program securities and security futures may be registered solely as a General Securities Sales Supervisor. In addition to branch office managers, other persons such as regional and national sales managers may also be registered solely as General Securities Sales Supervisors as long as they supervise only sales activities."

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

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

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

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

<sup>4</sup> 17 CFR 204.19b-4(f)(6).