

*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**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.<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: (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 (<https://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-GEMX-2024-23 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-2024-23. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-GEMX-2024-23 and should be submitted on or before August 21, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>21</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2024-16803 Filed 7-30-24; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-100599; File No. SR-Phlx-2024-26]**

**Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 2, Sections 5 and 10 and Options 3, Section 15**

July 25, 2024.

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 July 16, 2024, 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 Options 2, Sections 5 and 10 and Options 3, Section 15.

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**

Phlx proposes to amend: (1) Directed Market Maker quoting obligations in Options 2, Section 5, Electronic Market Maker Obligations and Quoting Requirements; (2) a reference to "Exchange's best price" in Options 2, Section 10, Directed Orders; and (3) rule text related to the Acceptable Trade Range in Options 3, Section 15, Simple Order Risk Protections. Each change will be discussed below.

**Options 2, Section 5**

The Exchange proposes to amend the rule text within Options 2, Section 5(c)(2)(C) related to the quoting obligations applicable to a Directed Market Maker.

The current rule text states that Directed SQTs and Directed RSQTs, associated with the same member organization, are collectively required to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, for which that member organization's assigned options series are open for trading. With respect to a Directed Market Maker, Phlx currently requires that the Directed Market Maker provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, in any options series in which the Directed Market Maker has executed a Directed Order on a daily basis. Phlx requires the Market Maker to fulfill this requirement in addition to its

<sup>21</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>20</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

requirement to quote as a Market Maker or a Lead Market Maker.

Below the Exchange presents examples of how the new rule text would operate.

#### Example 1

- Assume a Market Maker was assigned in options overlying AAPL, SPY, NFLX, ORCL and ADBE.
- Assume this Market Maker had previously executed a Directed Order and executes a Directed Order in NFLX and ADBE on February 27, 2024.
- The Directed Market Maker obligation is a daily obligation once triggered and continues until the Directed Market Maker notifies the Exchange that it no longer desires to be a part of the Directed Order program.
- Moreover, on February 28, 2024 and each day thereafter the Directed Market Maker is required to provide two-sided quotations in 90% of the cumulative number of seconds among all options series in which the Directed Market Maker has executed a Directed Order on a daily basis until a Directed Market Maker notifies the Exchange that it is no longer directed. Therefore, the Directed Market Maker would be required to quote at 90% of the cumulative number of seconds among all options series in which the Directed Market Maker has executed a Directed Order each day, regardless of whether the Directed Market Maker executed a Directed Order that day.

#### Obligations

This Market Maker is required to provide two-sided quotations in 60% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, for which that member's assigned options series are open for trading among AAPL, SPY, and ORCL to fulfill its Market Maker obligation.

Separately, this Market Maker would be obligated, separate and apart from its Market Maker obligations described in this example, to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, among NFLX and ADBE to fulfill its Directed Market Maker Obligation.

This Market Maker would not be required to make two-sided markets in any Quarterly Option Series, any Adjusted Option Series, and any option series with an expiration of nine months or greater for options on equities and ETFs or with an expiration of twelve months or greater for index options in AAPL, SPY, NFLX, ORCL and ADBE

when meeting its Market Maker or Directed Market Maker requirements.

#### Example 2

- Assume a Lead Market Maker was assigned in options overlying AAPL, SPY, NFLX, ORCL and ADBE.
- Assume this Lead Market Maker had previously executed a Directed Order and executes a Directed Order in NFLX and ADBE on February 27, 2024. The Directed Market Maker obligation is a daily obligation once triggered and continues until the Directed Market Maker notifies the Exchange that it no longer desires to be a part of the Directed Order program.
- The Directed Market Maker obligation is a daily obligation once triggered and continues until the Directed Market Maker notifies the Exchange that it no longer desires to be a part of the Directed Order program.
- Moreover, on February 28, 2024 and each day thereafter the Directed Market Maker is required to provide two-sided quotations in 90% of the cumulative number of seconds among all options series in which the Directed Market Maker has executed a Directed Order on a daily basis until a Directed Market Maker notifies the Exchange that it is no longer directed. Therefore, the Directed Market Maker would be required to quote at 90% of the cumulative number of seconds among all options series in which the Directed Market Maker has executed a Directed Order each day, regardless of whether the Directed Market Maker executed a Directed Order that day.

#### Obligations

This Lead Market Maker, associated with the same member, is collectively required to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, among AAPL, SPY, and ORCL to fulfill its Lead Market Maker obligation.<sup>3</sup>

Separately, this Lead Market Maker would be obligated, separate and apart from its Lead Market Maker obligations described in this example, to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, among NFLX and ADBE to fulfill its Directed Market Maker obligation.

This Market Maker would not be required to make two-sided markets in any Quarterly Option Series, any Adjusted Option Series, and any option series with an expiration of nine months

or greater for options on equities and ETFs or with an expiration of twelve months or greater for index options in AAPL, SPY, NFLX, ORCL and ADBE when meeting its Lead Market Maker or Directed Market Maker requirements.

The Exchange proposes to amend the rule text in Options 2, Section 5(c)(2)(C) to require Directed Lead Market Makers, Directed SQTs and Directed RSQTs (collectively "Directed Market Makers"),<sup>4</sup> associated with the same member organization, collectively, to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, among all option series in which the Directed Market Maker has executed a Directed Order on a daily basis, except that a Directed Market Maker shall not be required to make two-sided markets in any Quarterly Option Series, any Adjusted Option Series, and any option series with an expiration of nine months or greater for options on equities and exchange-traded funds ("ETFs") or with an expiration of twelve months or greater for index options. The Exchange notes that the proposed requirements are similar to requirements imposed by other options exchanges. NYSE Arca, Inc. ("NYSE Arca") and NYSE American LLC ("NYSE American") require that their lead market makers and market makers provide continuous two-sided quotations throughout the trading day in issues for which it receives Directed Orders for 90% of the time the Exchange is open for trading in each issue.<sup>5</sup>

The Exchange also proposes to relocate certain rule text within Options 2, Section 5(c)(2)(C) to make clear the requirements applicable to a Directed Market Maker and make other amendments as well. The Exchange

<sup>4</sup> The Exchange will utilize the term "Directed Market Makers" throughout to refer to Directed Lead Market Makers, Directed SQTs and Directed RSQTs. The Exchange will also utilize the term "Market Maker" in this 19b4 to refer to a Lead Market Maker, SQT and an RSQT. See Options 7, Section 1(b)(28), "A 'Market Maker' means a Streaming Quote Trader or a Remote Streaming Quote Trader who enters quotations for his own account electronically into the System." Further, see Options 7, Section 1(b)(27), "A 'Lead Market Maker' means a member who is registered as an options Lead Market Maker pursuant to Options 2, Section 12(a). A Lead Market Maker includes a Remote Lead Market Maker which is defined as a Lead Market Maker in one or more classes that does not have a physical presence on the Exchange's Trading Floor and is approved by the Exchange pursuant to Options 2, Section 11."

<sup>5</sup> See NYSE Arca Rule 6.88-O and NYSE American Rule 964.1NY. NYSE Arca Rule 6.88-O(iv) states that these obligations will apply collectively to all series in all of the issues for which the Directed Order Market Maker receives Directed Orders, rather than on an issue-by-issue basis.

<sup>3</sup> See Options 2, Section 4(j)(1).

proposes to amend the timeframe in which a Directed Market Maker is obligated to commence complying with the quoting obligations of Options 2, Section 5(c)(2)(C).<sup>6</sup> Today, a Directed Market Maker must commence complying with the quoting obligations specified in Options 2, Section 5(c)(2)(C) when a Directed Market Maker receives a Directed Order in any option in which they are assigned until such time as the Directed Market Maker notifies the Exchange that they are no longer directed. Pursuant to Options 2, Section 10(a)(ii), “[w]hen the Exchange’s disseminated price is the NBBO at the time of receipt of the Directed Order, and the Directed Lead Market Maker, SQT or RSQT is quoting at the Exchange’s best price, the Directed Order shall be automatically executed and allocated in accordance with Options 3, Section 10(a)(1).” The Exchange proposes to amend Options 2, Section 5(c)(2)(C) to instead begin requiring a Directed Market Maker to comply with the Directed Market Maker quoting obligations in Options 2, Section 5(c)(2)(C) when the Directed Market Maker executes its first Directed Order in any option in which they are assigned. A Directed Market Maker has the ongoing quoting obligation from the time a Directed Market Maker executes its first Directed Order in the options in which the Directed Market Maker is assigned until a Directed Market Maker notifies the Exchange that the Directed Market Maker is no longer directed. Because Directed Market Makers are unaware if an order is directed to them until such time as they execute the Directed Order and receive an allocation pursuant to Options 3, Section 10, the Exchange believes that starting the quoting obligation once a Directed Order is executed is a practical approach to ensuring that Directed Market Makers comply with their quoting obligations.

The proposed rule text would provide,

Directed Lead Market Makers, Directed SQTs and Directed RSQTs (“Directed Market Makers”), associated with the same member organization, are collectively required to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, among all options series in which the Directed Market Maker has executed a Directed Order on a daily basis, except that

<sup>6</sup> Options 2, Section 5(c)(2)(C) provides that a member organization shall be considered directed in all assigned options once the member organization receives a Directed Order in any option in which they are assigned and shall be considered a Directed SQT or Directed RSQT until such time as the member organization notifies the Exchange that they are no longer directed.

a Directed Market Maker shall not be required to make two-sided markets in any Quarterly Options Series, any Adjusted Options Series, and any options series with an expiration of nine months or greater for options on equities and ETFs or with an expiration of twelve months or greater for index options. A Directed Market Maker has the ongoing quoting obligation from the time a Directed Market Maker executes its first Directed Order in the options in which the Directed Market Maker is assigned until a Directed Market Maker notifies the Exchange that the Directed Market Maker is no longer directed.

A Directed Market Maker shall not be required to make two-sided markets in any Quarterly Options Series, any Adjusted Options Series, and any options series with an expiration of nine months or greater for options on equities and ETFs or with an expiration of twelve months or greater for index options and would receive a participation entitlement in the Quarterly Options Series, the Adjusted Options Series, and an options series with an expiration of nine months or greater for options on equities and ETFs or with an expiration of twelve months or greater for index options for the Directed Order, only if it complies with the heightened 90% quoting requirement.

As is the case today, a Directed Market Maker must be quoting at the Exchange’s best price<sup>7</sup> at the time of receipt of the Directed Order to be entitled to the allocation in accordance with Options 3, Section 10. The Exchange notes that the amendment adds clarity to the Exchange’s current practice<sup>8</sup> and harmonizes the rules of Phlx with those of other Nasdaq affiliated markets.

#### Options 2, Section 10

The Exchange proposes to amend Options 2, Section 10, Directed Orders. Specifically, Options 2, Section 10(a)(ii) provides, “When the Exchange’s disseminated price is the NBBO at the time of receipt of the Directed Order, and the Directed Lead Market Maker, SQT or RSQT is quoting at the Exchange’s best price, the Directed Order shall be automatically executed

<sup>7</sup> As part of this proposed rule change the Exchange is amending Options 2, Section 10(a)(ii) to replace the words “Exchange’s best price” with “better of the internal PBBO or the NBBO.” The “internal PBBO” is comprised of non-displayed and displayed orders on the Exchange’s order book.

<sup>8</sup> Phlx noted in a 2018 rule change that if a member desired to become a Directed SQT that the quoting obligations specified in Rule 1081(c)(ii)(C) (now Options 2, Section 5) would commence when that Directed SQT executed an order directed to the Directed SQT. See Securities Exchange Act Release No. 82975 (March 30, 2018), 83 FR 14690, 14694 (April 5, 2018) (SR-Phlx-2018-22) (Notice of Filing of Proposed Rule Change To Create a New Rule 1081, To Amend Electronic Market Maker Obligations and Quoting Requirements for Electronic ROTs, Which Will Be Defined To Include SQTs, RSQTs, Directed SQTs, Directed RSQTs, Specialists, and Remote Specialists).

and allocated in accordance with Options 3, Section 10(a)(1).” The Exchange proposes to amend this sentence to replace the words “Exchange’s best price” with “better of the internal PBBO or the NBBO.” The Exchange proposes this amendment to conform the rule text with language throughout the Options 3 trading rules that describe the Exchange’s best price with references to the internal PBBO and NBBO. Pursuant to Options 3, Section 5, the System automatically executes eligible orders using the Exchange’s displayed best bid and offer (“PBBO”) or the Exchange’s non-displayed order book (“internal PBBO”) if there are non-displayed orders on the order book or the best bid and/or offer on the Exchange has been repriced pursuant to Options 3, Section 5(d) or Options 3, Section 4(b)(6) which describes trade-through compliance and locked and crossed markets. The Exchange also proposes to amend the citation to “Options 3, Section 10(a)(1)” to the more precise citation “Options 3, Section 10(a)(1)(C)” which describes the Directed Market Maker Priority allocation. The Exchange’s amendment will bring additional clarity to current rule text and harmonize the rule text with Options 3 language.

#### Options 3, Section 15

Today, Options 3, Section 15(b)(1)(A) provides that, “Upon receipt of a new order/quote, the Reference Price is the better of the National Best Bid (“NBB”) or internal best bid for sell orders/quotes and the National Best Offer (“NBO”) or internal best offer for buy orders/quotes, excluding All-or-None Orders which cannot be satisfied, or the last price at which the order/quote is posted whichever is higher for a buy order/quote or lower for a sell order/quote.” The Exchange proposes to remove the phrase “excluding All-or-None Orders which cannot be satisfied” from the rule text. The Exchange previously filed a rule change<sup>9</sup> to amend All-or-None Orders so that they may only be submitted by a Public Customer as an Immediate-or-Cancel Order. As a result of this rule change, All-or-None Orders no longer rest on the order book. Upon entry, an All-or-None Order is executed in its entirety or cancelled if it cannot execute. The Exchange inadvertently did not remove the aforementioned rule text which would require an All-or-None Order to

<sup>9</sup> See Securities Exchange Act Release No. 98142 (August 16, 2023), 88 FR 57140 (August 22, 2023) (SR-Phlx-2023-34) (Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Phlx’s All-or-None Order (“SR-Phlx-2023-34”).

rest to be applicable. At this time, the Exchange proposes to also remove this rule text reference to All-or-None Orders in Options 3, Section 15(b)(1)(A), similar to the other rule text references that were removed in SR-Phlx-2023-34.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>10</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>11</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.

### Options 2, Section 5

The Exchange's proposal to amend the Directed Market Maker quoting obligations in Options 2, Section 5(c)(2)(C) is consistent with the Act. Other options exchanges today require Directed Market Makers, collectively, to provide two-sided quotations in 90% of the cumulative number of seconds among all options series in which the Directed Market Maker has received a Directed Order on a daily basis. The proposed Directed Market Maker quoting obligations would require Directed Market Makers, collectively, to provide two-sided quotations in 90% of the cumulative number of seconds or such higher percentage as Phlx may announce in advance, among all options series in which the Directed Market Maker has executed a Directed Order on a daily basis in addition to their quoting requirements as Market Makers and Lead Market Makers.

The Exchange believes that these quoting requirements create a direct nexus between the allocation that would be received by a Directed Market Maker pursuant to Options 3, Section 10 and the liquidity that the Directed Market Maker would be required to provide to the market in that particular options series. The Exchange notes that any Directed Market Maker quoting at the NBBO would need to provide two-sided quotations in 90% of the cumulative number of seconds among all options series in which the Directed Market Maker has executed a Directed Order for the entire day in which the Directed Market Maker received the Directed Order and each day thereafter, on a daily basis, until a Directed Market Maker notifies the Exchange that it is no longer directed. The Exchange believes

that this quoting obligation is designed to promote just and equitable principles of trade by ensuring that Directed Market Makers quote competitively in as many series as possible to attract Directed Orders so that they may receive an enhanced allocation as a Directed Market Maker.

The proposed rule text would harmonize the Directed Market Maker's quoting obligations with other options exchanges, such as NYSE Arca and NYSE American which require that their lead market makers and market makers provide continuous two-sided quotations throughout the trading day in issues for which it receives Directed Orders for 90% of the time the Exchange is open for trading in each issue.<sup>12</sup>

The Exchange's proposal to amend Options 2, Section 5(c)(2)(C) to require a Directed Market Maker to commence complying with the Options 2, Section 5(c)(2)(C) quoting obligations when the Directed Market Maker executes its first Directed Order in any option in which they are assigned is a practical approach to ensuring that Directed Market Makers comply with their quoting obligations. Directed Market Makers are unaware if an order is directed to them until such time as they execute the Directed Order and receive an allocation pursuant to Options 3, Section 10. Further, the Exchange notes that a Directed Market Maker must be quoting at the Exchange's best price<sup>13</sup> at the time of receipt of the Directed Order to be entitled to the allocation in accordance with Options 3, Section 10.

### Options 2, Section 10

The Exchange's proposal to amend Options 2, Section 10, Directed Orders, to replace the words "Exchange's best price" with "better of the internal PBBO or the NBBO" is consistent with the Act. The proposed amendment will conform the rule text with language throughout the Options 3 trading rules that describe the Exchange's best price with references to the internal PBBO and NBBO. Additionally, the Exchange's amendment will protect investors and the general public by adding clarity to current rule text as well as harmonizing the rule text with Options 3 language.

### Options 3, Section 15

The Exchange's proposal to remove rule text within Options 3, Section 15(b)(1)(A), related to the Acceptable Trade Range, is consistent with the Act as SR-Phlx-2023-34 amended All-or-None Orders such that they may only be submitted by a Public Customer as an

Immediate-or-Cancel Order. An All-Or-None Order will either execute immediately or be cancelled back to the member or member organization. The Exchange inadvertently did not remove the aforementioned rule text which would require an All-or-None Order to rest to be applicable. This change will remove the incorrect rule text and bring greater clarity to the 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.

### Options 2, Section 5

The Exchange's proposal to amend the Directed Market Maker quoting obligations in Options 2, Section 5(c)(2)(C) does not impose an undue burden on competition as every Directed Market Maker would be required, collectively, to provide two-sided quotations in 90% of the cumulative number of seconds or such higher percentage as Phlx may announce in advance, among all options series in which the Directed Market Maker has executed a Directed Order for the entire day in which the Directed Market Maker received the Directed Order, on a daily basis, until a Directed Market Maker notifies the Exchange that it is no longer directed. The proposal does not impose a burden on inter-market competition as other options markets today impose similar quoting obligations.

The Exchange's proposal to amend Options 2, Section 5(c)(2)(C) to require a Directed Market Maker to commence complying with the Options 2, Section 5(c)(2)(C) quoting obligations when the Directed Market Maker executes its first Directed Order in any option in which they are assigned does not impose an undue burden on competition because all Directed Market Makers will be required to commence complying with Options 2, Section 5(c)(2)(C) when the Directed Market Maker executes its first Directed Order in any option in which they are assigned. The proposal does not impose a burden on inter-market competition as other options markets today impose similar quoting obligations and may amend their rules to mirror those of Phlx.

### Options 2, Section 10

The Exchange's proposal to amend Options 2, Section 10, Directed Orders, to replace the words "Exchange's best price" with "better of the internal PBBO or the NBBO" does not impose an

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

<sup>11</sup> 15 U.S.C. 78f(b)(5).

<sup>12</sup> See *supra* note 5.

<sup>13</sup> See *supra* note 7.

undue burden on competition because the amendment more specifically describes the Exchange's best price with references to the internal PBBO and NBBO. The Exchange's amendment will add clarity to current rule text.

#### Options 3, Section 15

The Exchange's proposal to remove rule text within Options 3, Section 15(b)(1)(A), related to the Acceptable Trade Range, does not impose an undue burden on competition as All-or-None Orders may only be submitted by a Public Customer as an Immediate-or-Cancel Order. An All-Or-None Order will either execute immediately or be cancelled back to the member or member organization. Removing the incorrect rule text will bring greater clarity to the rules.

#### 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>14</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>15</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 (<https://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-Phlx-2024-26 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-2024-26. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-Phlx-2024-26 and should be submitted on or before August 21, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

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**BILLING CODE 8011-01-P**

<sup>16</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100588; File No. SR-SAPPHIRE-2024-01]

### Self-Regulatory Organizations; MIAX Sapphire, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Establish Proprietary Market Data Products

July 25, 2024.

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 July 19, 2024, MIAX Sapphire, LLC ("MIAX Sapphire" 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 Substance of the Proposed Rule Change

The Exchange proposes to establish proprietary market data products. The text of the proposed rule change is available on the Exchange's website at <https://www.miaxglobal.com/markets/us-options/miax-sapphire/rule-filings/>, at the Exchange's principal office, 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 establish the MIAX Sapphire Top of Market ("ToM") data feed, MIAX Sapphire Complex Top of Market ("cToM") data

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

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

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>15</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.