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SECURITIES AND EXCHANGE COMMISSION
[Release No. 34-89782; File No. SR-Phlx-2020-42]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 3304

September 8, 2020.

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 August 27, 2020, 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 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 amend Rule 3304 (Data Feeds Utilized) to add the Long-Term Stock Exchange, Inc. (“LTSE”), MIA X PEARL, LLC (“MIA X PEARL”) and MEMX LLC (“MEMX”) to the list of market centers under Rule 3304 and provide that the Exchange will utilize CQS/UQDF.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

In anticipation of their planned launches³ the Exchange proposes to amend the table in Rule 3304 to include LTSE, MIAX Pearl and MEMX. The Exchange will use securities information processor (“SIP”) data, *i.e.*, CQS SIP data, for securities reported under the Consolidated Quotation System and Consolidated Quotation Plan and UQDF SIP data for securities reported under the Nasdaq Unlisted Trading Privileges Plan to obtain LTSE, MIAX Pearl and MEMX quotation information for the handling, routing and execution of orders, as well as for the regulatory compliance processes related to those functions. At this stage, no secondary source for LTSE, MIAX Pearl or MEMX will be used.

³ LTSE plans to begin phase-in production of securities on August, 28, 2020. See LTSE Market Announcement available at, https://assets.ctfassets.net/cchj2z2dcfyd/rnGvgggJUplaIk6N1xNA7/41926d3925a177d6455868090c46aeda/MA-2020-020__Production_Securities_Launching_August_28_-_Google_Docs.pdf. MIAX Pearl Equities will begin trading in September 2020, pending SEC approval. See MIAX Pearl Alerts available at, <https://www.miaxoptions.com/alerts/2020/02/14/miax-pearl-equities-exchange-codes-and-important-dates-regarding-launch-new>. MEMX is expected to launch on September 4, 2020. See MEMX Update from Jonathan Kellner, dated June 11, 2020, available at <https://memx.com/memx-update/>.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁵ 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.

The Exchange believes that the proposed rule change removes impediments to and perfects the mechanism of a free and open market because adding LTSE, MIAX Pearl and MEMX because updating its list of market centers for which the Exchange consumes quotation data will provide clarity to market participants. Moreover, it is necessary and consistent with the public interest and the protection of investors to update the Exchange's table of market centers in order to provide transparency with respect to all the direct proprietary and network processor feeds from which the Exchange obtains market data. Additionally, a similar change has been proposed by other exchanges.⁶

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

⁶ See Securities Exchange Act Release Nos. 88313 (March 3, 2020), 85 FR 13684 (March 9, 2020) (SR-IEX-2020-03); 88587 (April 8, 2020), 85 FR 20794 (April 14, 2020) (SR-NASDAQ-2020-015); 88601 (April 8, 2020), 85 FR 20798 (April 14, 2020) (NYSE-2020-31); 88604 (April 8, 2020), 85 FR 20741 (April 14, 2020) (SR-NYSECHX-2020-12); 88610 (April 9, 2020), 85 FR 21033 (April 15, 2020) (SR-NYSEARCA-2020-30); 88611 (April 9, 2020), 85 FR 21047 (April 15, 2020) (SR-NYSEARCA-2020-30); 89382 (July 23, 2020), 85 FR 45719 (July 29, 2020) (SR-NYSECHX-2020-22); 89369 (July 21, 2020), 85 FR 45270 (July 27, 2020) (SR-NYSE-2020-60); 89387 (July 23, 2020), 85 FR 45722 (July 29, 2020) (SR-NYSEARCA-2020-67); 89388 (July 23, 2020), 85 FR 45711 (July 29, 2020) (SR-NYSEARCA-2020-67); 89388 (July 23, 2020), 85 FR 45711 (July 29, 2020) (SR-NYSEARCA-2020-67); 89388 (July 23, 2020), 85 FR 45711 (July 29, 2020) (SR-NYSEARCA-2020-67); 89580 (August 17, 2020), 85 FR 51828 (August 21, 2020) (SR-IEX-2020-11).

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 rule change is not designed to address any competitive issue; instead, its purpose is to enhance transparency with respect to the operation of the Exchange and its use of market data feeds.

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

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act⁹ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)¹⁰ 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

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and 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. The Exchange has satisfied this requirement.

⁹ 17 CFR 240.19b-4(f)(6).

¹⁰ 17 CFR 240.19b-4(f)(6)(iii).

waive the 30-day operative delay. Waiver of the operative delay would allow the Exchange to disclose the updated list of market centers for which the Exchange consumes quotation data, and the source of the quotation data, at the time that LTSE, MIAX Pearl, and MEMX become operational. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission waives the 30-day operative delay and designates the proposed rule change as operative upon filing.¹¹

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 change 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-2020-42 on the subject line.

Paper Comments:

¹¹ 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).

- 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-2020-42. 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. 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-Phlx-2020-42 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.¹²

J. Matthew DeLesDernier,
Assistant Secretary.

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¹² 17 CFR 200.30-3(a)(12).