

change, C2 submitted Amendment No. 1 to its proposed rule change, CBOE submitted Amendment No. 1 to its proposed rule change, FINRA submitted Amendment No. 1 to its proposed rule change, ISE submitted Amendment No. 2 to its proposed rule change, NASDAQ submitted Amendment No. 2 to its proposed rule change, NYSE submitted Amendment No. 1 to its proposed rule change, NYSE Arca submitted Amendment No. 1 to each of its proposed rule changes, NYSE MKT submitted Amendment No. 1 to each of its proposed rule changes, and Phlx submitted Amendment No. 2 to its proposed rule change.

On August 30, 2017, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act<sup>18</sup> to determine whether to approve or disapprove the proposed rule changes, as modified by the respective amendments thereto.<sup>19</sup> Since then, the Commission has received eight additional comment letters on the proposed rule changes, including a response from FINRA and a response from the CAT NMS Plan Operating Committee Chair on behalf of Bats BZX, Bats EDGX, BOX, C2, CBOE, IEX, ISE, MIAx, NASDAQ, BX, Phlx, NYSE, NYSE Arca, NYSE MKT, and PEARL.<sup>20</sup>

Section 19(b)(2) of the Act<sup>21</sup> provides that, after initiating proceedings, the Commission shall issue an order approving or disapproving a proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may, however, extend the period for issuing an order approving or disapproving the proposed rule change by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The

proposed rule changes submitted by Bats BZX, Bats EDGX, BOX, C2, CBOE, FINRA, IEX, ISE, MIAx, and PEARL; both proposed rule changes submitted by NYSE MKT; and one of the proposed rule changes submitted by NYSE Arca were published for comment in the **Federal Register** on June 1, 2017.

November 28, 2017, is 180 days from that date, and January 27, 2018, is 240 days from that date. The proposed rule change submitted by NYSE and the other proposed rule change submitted by NYSE Arca were published for comment in the **Federal Register** on June 2, 2017. November 29, 2017, is 180 days from that date, and January 28, 2018, is 240 days from that date. The proposed rule changes submitted by NASDAQ, BX, and Phlx were published for comment in the **Federal Register** on June 5, 2017. December 2, 2017, is 180 days from that date, and January 31, 2018, is 240 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the Systems Retirement Proposals so that it has sufficient time to consider the Systems Retirement Proposals, as modified by the respective amendments thereto, the issues raised in the comment letters that have been submitted in connection therewith, and FINRA's response to the comments. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>1</sup> designates January 27, 2018, as the date by which the Commission should either approve or disapprove the proposed rule changes, as modified by the respective amendments thereto (File Numbers SR-BatsBZX-2017-37; SR-BatsEDGX-2017-23; SR-BOX-2017-17; SR-C2-2017-018; SR-CBOE-2017-041; SR-FINRA-2017-013; SR-ISE-2017-46; SR-IEX-2017-18; SR-MIAx-2017-20; SR-PEARL-2017-23; SR-NASDAQ-2017-055; SR-BX-2017-027; SR-PHLX-2017-43; SR-NYSE-2017-23; SR-NYSEArca-017-57; SR-NYSEArca-2017-59; SR-NYSEMKT-2017-29; and SR-NYSEMKT-2017-30).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

**Eduardo A. Aleman,**  
*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82134; File No. SR-MRX-2017-25]

### Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Remove Directed Order Functionality

November 21, 2017.

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 November 16, 2017, Nasdaq MRX, LLC ("MRX" 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 remove Directed Order<sup>3</sup> functionality on MRX.

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

Last year the Exchange filed to delay the implementation of the Directed

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

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

<sup>3</sup> A "Directed Order" is an order routed from an Electronic Access Member to an Exchange market maker through the Exchange's System.

<sup>18</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>19</sup> See Securities Exchange Act Release No. 81499, 82 FR 42168 (September 6, 2017) ("OIP").

<sup>20</sup> Six substantive comment letters were submitted in response to the OIP. See letters from Manisha Kimmel, Chief Regulatory Officer, Wealth Management, Thomson Reuters, dated September 27, 2017; William H. Herbert, Managing Director, FIF, dated September 29, 2017; Ellen Greene, Managing Director and Theodore R. Lazo, Managing Director and Associate General Counsel, SIFMA, dated September 29, 2017; Brant K. Brown, Associate General Counsel, FINRA, dated October 11, 2017; William H. Herbert, Managing Director, FIF, dated November 2, 2017; and Michael Simon, CAT NMS Plan Operating Committee Chair, dated November 2, 2017. A seventh letter in response to the OIP requested additional time to submit comments on the proposed rule changes. See letter from William H. Herbert, Managing Director, FIF, dated September 27, 2017. The eighth comment letter was submitted solely to File Number SR-Phlx-2017-43. See letter from Michael Kitlas, dated November 14, 2017.

<sup>21</sup> 15 U.S.C. 78s(b)(2).

<sup>22</sup> 17 CFR 200.30-3(a)(12); 17 CFR 200.30-3(a)(57).

Order functionality in conjunction with a replatform to INET.<sup>4</sup> INET is the proprietary core technology utilized across Nasdaq's global markets and utilized on The Nasdaq Options Market LLC ("NOM"), Nasdaq PHLX LLC ("Phlx") and Nasdaq BX, Inc. ("BX") (collectively, "Nasdaq Exchanges"). MRX was migrated to INET technology in 2017. With the migration, MRX delayed the implementation of the Directed Order functionality to stage the re-platform to provide maximum benefit to its Members while also ensuring a successful rollout. At that time, the Exchange noted that the Exchange will introduce the Directed Order functionality within one year from the date of this filing, otherwise the Exchange will file a rule proposal with the Commission to remove these rules. The Exchange filed the initial rule change on May 17, 2017.<sup>5</sup> The Exchange has determined at this time not to offer Directed Order functionality. If the Exchange determines to offer this functionality at a later date a rule proposal will be filed at that time.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>7</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 because the Exchange will remove rule text related to functionality which will not be offered on MRX. The current rule text indicates the functionality is not offered today. The Exchange believes that removing Rule 811 from the Rulebook will avoid confusion as to whether this functionality will be enabled in the future.

### *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 believe that the proposed rule change will impose any burden on intra-market competition because the Exchange is not offering this functionality today and believes there is

no interest among Members for this functionality.

### *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>8</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>9</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 (<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-MRX-2017-25 on the subject line.

### *Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>9</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.

All submissions should refer to File Number SR-MRX-2017-25. 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-MRX-2017-25 and should be submitted on or before December 19, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Eduardo A. Aleman,**

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<sup>4</sup> See Securities Exchange Act Release No. 81204 (July 25, 2017), 82 FR 35557 (July 31, 2017) (SR-MRX-2017-02).

<sup>5</sup> *Id.*

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> 17 CFR 200.30-3(a)(12).