

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2017 - * 01 Amendment No. (req. for Amendments *)
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Filing by ISE Gemini, LLC  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
Date Expires * <input type="text"/>			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

Proposed rule to amend the Schedule of Fees to eliminate the Performance Routing Program.

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \* Adrian Last Name \* Griffiths  
 Title \* Assistant General Counsel  
 E-mail \* AGriffiths@ise.com  
 Telephone \* (212) 897-8176 Fax

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)  
 Executive Vice President and General Counsel

Date 01/03/2017  
 By Edward S. Knight  
 (Name \*)

edward.knight@nasdaq.com

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) ISE Gemini, LLC (“ISE Gemini” or “Exchange”), 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> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend the Schedule of Fees to eliminate the Performance Routing Program.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”) on August 15, 2016. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

Adrian Griffiths  
Assistant General Counsel  
International Securities Exchange, LLC  
212-897-8176

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

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

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

a. Purpose

Currently, the Exchange offers Performance Routing Program ("PRP") rebates to Non-ISE Gemini Market Maker,<sup>3</sup> Firm Proprietary,<sup>4</sup> Broker-Dealer,<sup>5</sup> and Professional Customer<sup>6</sup> orders based on the member's maker average daily volume ("ADV") in Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders that improve the national best bid or offer ("NBBO") in a series at the time of order entry ("PRP eligible contracts").<sup>7</sup> Specifically, members that execute an ADV of 9,999 PRP eligible contracts or fewer are entitled to a maker rebate of \$0.25 per contract in both Penny Symbols and Non-Penny Symbols for their Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders. Members that execute an ADV of 10,000 or more PRP eligible contracts are entitled to a maker rebate of \$0.40 per contract in Penny Symbols and \$0.65 per contract in Non-Penny Symbols for the above market participant types if the order does not improve the NBBO at the time of order entry. In addition, members that qualify for the higher tier of PRP

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<sup>3</sup> A "Non-ISE Gemini Market Maker" is a market maker as defined in Section 3(a)(38) of the Securities Exchange Act of 1934, as amended, registered in the same options class on another options exchange.

<sup>4</sup> A "Firm Proprietary" order is an order submitted by a member for its own proprietary account.

<sup>5</sup> A "Broker-Dealer" order is an order submitted by a member for a broker-dealer account that is not its own proprietary account.

<sup>6</sup> A "Professional Customer" is a person or entity that is not a broker/dealer and is not a Priority Customer.

<sup>7</sup> All eligible volume from affiliated members is aggregated in determining applicable tiers, provided there is at least 75% common ownership between the members as reflected on each member's Form BD, Schedule A.

rebates are entitled to a maker rebate of \$0.47 per contract in Penny Symbols and \$0.71 per contract in Non-Penny Symbols for the above market participant types if the order improves the NBBO in the series at the time it is entered.<sup>8</sup>

The Exchange now proposes to eliminate the PRP as this program has not been successful in attracting order flow that improves the NBBO. As proposed, members will receive a maker rebate of \$0.25 per contract in Penny Symbols and Non-Penny Symbols for their Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders (i.e., the current Tier 1 maker rebate). Members will no longer be able to achieve higher maker rebates based on their maker ADV in Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders that improve the NBBO in a series at the time of order entry.<sup>9</sup>

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>10</sup> in general, and Section 6(b)(4) of the Act,<sup>11</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

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<sup>8</sup> See Schedule of Fees, Section I., Regular Order Fees and Rebates, footnotes 14 and 15.

<sup>9</sup> This includes both the regular rebate for orders that do not improve the NBBO at the time of order entry, and the enhanced rebates provided in footnotes 14 and 15 of the Schedule of Fees for orders that improve the NBBO at the time of order entry. The regular rebates will now be marked “n/a” since there will no longer be any PRP tiers, and the associated footnotes for enhanced rebates will be eliminated.

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

<sup>11</sup> 15 U.S.C. 78f(b)(4).

The Exchange believes that it is reasonable and equitable to eliminate the PRP as this rebate program was not successful in attracting the type of order flow that it was designed to incentivize. The Exchange adopted the PRP to encourage members enter orders that improve the NBBO in order to create more trading opportunities at better prices for all market participants that trade on the Exchange. The Exchange does not believe that the PRP has met this goal, and is therefore proposing to eliminate the program. With the proposed elimination of the PRP, Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders will continue to be entitled to a maker rebate in Penny and Non-Penny Symbols that is the same as the current Tier 1 maker rebate. The current Tier 2 maker rebates for these market participant types will be removed as this tier is being eliminated with the elimination of the PRP program. The Exchange believes that the Tier 1 maker rebate remains competitive and will continue to incentivize members to send order flow to the Exchange. The Exchange further believes that the proposed fee change is not unfairly discriminatory as it provides equal rebates to Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders. In addition, although Priority Customer<sup>12</sup> and Market Maker<sup>13</sup> orders will be entitled to more favorable maker rebates, the Exchange does not believe that this is unfairly discriminatory. As has historically been the case, Priority Customer orders remain entitled to more favorable maker rebates in order to

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<sup>12</sup> A “Priority Customer” is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Rule 100(a)(37A).

<sup>13</sup> The term Market Maker refers to “Competitive Market Makers” and “Primary Market Makers” collectively. See Rule 100(a)(25).

encourage this order flow. A Priority Customer is by definition not a broker or dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). This limitation does not apply to participants whose behavior is substantially similar to that of market professionals, including Professional Customers, who will generally submit a higher number of orders than Priority Customers. Similarly, the Exchange believes that it is not unfairly discriminatory to offer higher maker rebates to Market Makers as Market Makers are subject to additional requirements and obligations (such as quoting requirements) that other market participants are not.

4. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act,<sup>14</sup> the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange operates in a highly competitive market in which market participants can readily direct their order flow to competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed fee changes reflect this competitive environment.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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<sup>14</sup> 15 U.S.C. 78f(b)(8).

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>15</sup> the Exchange has designated this proposal as establishing or changing a due, fee or other charge imposed on any person, whether or not the person is a member of a self-regulatory organization, which renders the proposed rule change effective upon filing.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.
5. Text of the proposed rule change.

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



**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_ ; File No. SR-ISEGemini-2017-01)

January \_\_, 2017

Self-Regulatory Organizations; ISE Gemini, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Schedule of Fees

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 January 3, 2017, ISE Gemini, LLC (“ISE Gemini” 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 the Schedule of Fees to eliminate the Performance Routing Program.

The text of the proposed rule change is available on the Exchange’s Website at [www.ise.com](http://www.ise.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

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

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

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

Currently, the Exchange offers Performance Routing Program ("PRP") rebates to Non-ISE Gemini Market Maker,<sup>3</sup> Firm Proprietary,<sup>4</sup> Broker-Dealer,<sup>5</sup> and Professional Customer<sup>6</sup> orders based on the member's maker average daily volume ("ADV") in Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders that improve the national best bid or offer ("NBBO") in a series at the time of order entry ("PRP eligible contracts").<sup>7</sup> Specifically, members that execute an ADV of 9,999 PRP eligible contracts or fewer are entitled to a maker rebate of \$0.25 per contract in both Penny Symbols and Non-Penny Symbols for their Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders. Members that execute an ADV of 10,000 or more PRP eligible contracts are entitled to a maker

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<sup>3</sup> A "Non-ISE Gemini Market Maker" is a market maker as defined in Section 3(a)(38) of the Securities Exchange Act of 1934, as amended, registered in the same options class on another options exchange.

<sup>4</sup> A "Firm Proprietary" order is an order submitted by a member for its own proprietary account.

<sup>5</sup> A "Broker-Dealer" order is an order submitted by a member for a broker-dealer account that is not its own proprietary account.

<sup>6</sup> A "Professional Customer" is a person or entity that is not a broker/dealer and is not a Priority Customer.

<sup>7</sup> All eligible volume from affiliated members is aggregated in determining applicable tiers, provided there is at least 75% common ownership between the members as reflected on each member's Form BD, Schedule A.

rebate of \$0.40 per contract in Penny Symbols and \$0.65 per contract in Non-Penny Symbols for the above market participant types if the order does not improve the NBBO at the time of order entry. In addition, members that qualify for the higher tier of PRP rebates are entitled to a maker rebate of \$0.47 per contract in Penny Symbols and \$0.71 per contract in Non-Penny Symbols for the above market participant types if the order improves the NBBO in the series at the time it is entered.<sup>8</sup>

The Exchange now proposes to eliminate the PRP as this program has not been successful in attracting order flow that improves the NBBO. As proposed, members will receive a maker rebate of \$0.25 per contract in Penny Symbols and Non-Penny Symbols for their Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders (i.e., the current Tier 1 maker rebate). Members will no longer be able to achieve higher maker rebates based on their maker ADV in Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders that improve the NBBO in a series at the time of order entry.<sup>9</sup>

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>10</sup> in general, and Section 6(b)(4) of the Act,<sup>11</sup> in

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<sup>8</sup> See Schedule of Fees, Section I., Regular Order Fees and Rebates, footnotes 14 and 15.

<sup>9</sup> This includes both the regular rebate for orders that do not improve the NBBO at the time of order entry, and the enhanced rebates provided in footnotes 14 and 15 of the Schedule of Fees for orders that improve the NBBO at the time of order entry. The regular rebates will now be marked “n/a” since there will no longer be any PRP tiers, and the associated footnotes for enhanced rebates will be eliminated.

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

particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

The Exchange believes that it is reasonable and equitable to eliminate the PRP as this rebate program was not successful in attracting the type of order flow that it was designed to incentivize. The Exchange adopted the PRP to encourage members enter orders that improve the NBBO in order to create more trading opportunities at better prices for all market participants that trade on the Exchange. The Exchange does not believe that the PRP has met this goal, and is therefore proposing to eliminate the program. With the proposed elimination of the PRP, Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders will continue to be entitled to a maker rebate in Penny and Non-Penny Symbols that is the same as the current Tier 1 maker rebate. The current Tier 2 maker rebates for these market participant types will be removed as this tier is being eliminated with the elimination of the PRP program. The Exchange believes that the Tier 1 maker rebate remains competitive and will continue to incentivize members to send order flow to the Exchange. The Exchange further believes that the proposed fee change is not unfairly discriminatory as it provides equal rebates to Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders. In addition, although Priority Customer<sup>12</sup> and

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<sup>11</sup> 15 U.S.C. 78f(b)(4).

<sup>12</sup> A “Priority Customer” is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Rule 100(a)(37A).

Market Maker<sup>13</sup> orders will be entitled to more favorable maker rebates, the Exchange does not believe that this is unfairly discriminatory. As has historically been the case, Priority Customer orders remain entitled to more favorable maker rebates in order to encourage this order flow. A Priority Customer is by definition not a broker or dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). This limitation does not apply to participants whose behavior is substantially similar to that of market professionals, including Professional Customers, who will generally submit a higher number of orders than Priority Customers. Similarly, the Exchange believes that it is not unfairly discriminatory to offer higher maker rebates to Market Makers as Market Makers are subject to additional requirements and obligations (such as quoting requirements) that other market participants are not.

B. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act,<sup>14</sup> the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange operates in a highly competitive market in which market participants can readily direct their order flow to competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed fee changes reflect this competitive environment.

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<sup>13</sup> The term Market Maker refers to “Competitive Market Makers” and “Primary Market Makers” collectively. See Rule 100(a)(25).

<sup>14</sup> 15 U.S.C. 78f(b)(8).

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>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: (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 e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-ISEGemini-2017-01 on the subject line.

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

Paper comments:

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

All submissions should refer to File Number SR-ISEGemini-2017-01. 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 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 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-ISEGemini-2017-01 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>16</sup>

Robert W. Errett  
Deputy Secretary

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



Deleted text is [bracketed]. New text is underlined>.

## ISE GEMINI, LLC RULES

\* \* \*

### I. Regular Order Fees and Rebates

#### Penny Symbols and SPY

Market Participant	Maker Rebate: Tier 1	Maker Rebate: Tier 2	Maker Rebate: Tier 3	Maker Rebate: Tier 4	Taker Fee: Tier 1 <sup>(4)(13)</sup>	Taker Fee: Tier 2 <sup>(4)(13)</sup>	Taker Fee: Tier 3 <sup>(4)(13)</sup>	Taker Fee: Tier 4 <sup>(4)(13)</sup>	Fee for Crossing Orders (excluding PIM) <sup>(1)(11)</sup>	Fee for Responses to Crossing Orders (excluding PIM) <sup>(12)</sup>
Market Maker <sup>(2)(3)(5)</sup>	(\$0.30)	(\$0.32)	(\$0.34)	(\$0.45)	\$0.49	\$0.49	\$0.49	\$0.48	\$0.20	\$0.49
Non-ISE Gemini Market Maker (FarMM) <sup>(3)((6))</sup>	(\$0.25)	[((\$0.40) <sup>(14)</sup> ] <u>n/a</u>	n/a	n/a	\$0.49	\$0.49	\$0.49	\$0.48	\$0.20	\$0.49
Firm Proprietary / Broker-Dealer <sup>(3)((6))</sup>	(\$0.25)	[((\$0.40) <sup>(14)</sup> ] <u>n/a</u>	n/a	n/a	\$0.49	\$0.49	\$0.49	\$0.49	\$0.20	\$0.49
Professional Customer <sup>(3)((6))</sup>	(\$0.25)	[((\$0.40) <sup>(14)</sup> ] <u>n/a</u>	n/a	n/a	\$0.49	\$0.49	\$0.49	\$0.49	\$0.20	\$0.49
Priority Customer <sup>(3)(5)</sup>	(\$0.25) <sup>(7)</sup>	(\$0.40)	(\$0.48)	(\$0.53)	\$0.48	\$0.47	\$0.47	\$0.45	\$0.00	\$0.45

#### Non-Penny Symbols

Market Participant	Maker Rebate: Tier 1	Maker Rebate: Tier 2	Maker Rebate: Tier 3	Maker Rebate: Tier 4	Taker Fee: Tier 1 <sup>(4)(16)</sup>	Taker Fee: Tier 2 <sup>(4)(16)</sup>	Taker Fee: Tier 3 <sup>(4)(16)</sup>	Taker Fee: Tier 4 <sup>(4)(16)</sup>	Fee for Crossing Orders (excluding PIM) <sup>(1)(11)</sup>	Fee for Responses to Crossing Orders (excluding PIM) <sup>(12)</sup>
Market Maker <sup>(2)(3)(5)</sup>	(\$0.40)	(\$0.42)	(\$0.50)	(\$0.75)	\$0.89	\$0.89	\$0.89	\$0.89	\$0.20	\$0.89
Non-ISE Gemini Market Maker (FarMM) <sup>(3)((6))</sup>	(\$0.25)	[((\$0.65) <sup>(15)</sup> ] <u>n/a</u>	n/a	n/a	\$0.89	\$0.89	\$0.89	\$0.89	\$0.20	\$0.89
Firm Proprietary / Broker-Dealer <sup>(3)((6))</sup>	(\$0.25)	[((\$0.65) <sup>(15)</sup> ] <u>n/a</u>	n/a	n/a	\$0.89	\$0.89	\$0.89	\$0.89	\$0.20	\$0.89
Professional Customer <sup>(3)((6))</sup>	(\$0.25)	[((\$0.65) <sup>(15)</sup> ] <u>n/a</u>	n/a	n/a	\$0.89	\$0.89	\$0.89	\$0.89	\$0.20	\$0.89
Priority Customer <sup>(3)(5)</sup>	(\$0.75) <sup>(8)</sup>	(\$0.80)	(\$0.85)	(\$1.05)	\$0.82	\$0.81	\$0.81	\$0.81	\$0.00	\$0.82

1. Fees apply to the originating and contra order.
2. This fee applies to ISE Gemini Market Maker orders sent to the Exchange by Electronic Access Members.
3. All market participants are eligible for lower taker fees based on achieving volume thresholds in Table 1 below [exclusively]. Members who do not achieve a higher Tier under Table 1 will be charged Tier 1 taker fees.
4. Non-Priority Customer orders will be charged the taker fee for trades executed during the opening rotation. Priority Customer orders executed during the opening rotation will receive the applicable maker rebate based on the tier achieved.
5. Market Maker and Priority Customer orders are eligible for higher maker rebates based on achieving volume thresholds in Table 1 below [exclusively]. Members who do not achieve a higher Tier under Table 1 will receive Tier 1 maker rebates.
6. [Non-ISE Gemini Market Maker, Firm Proprietary / Broker-Dealer and Professional Customer orders are eligible for higher maker rebates based on achieving volume thresholds in Table 2 below exclusively. Members who do not achieve a higher Tier under Table 2 will receive Tier 1 maker rebates.] Reserved.
7. This rebate is \$0.32 per contract for members that execute a Priority Customer Maker ADV of 5,000 to 19,999 contracts in a given month.
8. This rebate is \$0.76 per contract for members that execute a Priority Customer Maker ADV of 5,000 to 19,999 contracts in a given month.
9. Reserved.
10. Reserved.
11. This fee is \$0.05 per contract for Priority Customer orders on the contra-side of a PIM auction and all non-Priority Customer orders executed in the PIM. There is no fee for Priority Customer orders on the agency side of a PIM auction.
12. This fee is \$0.05 per contract for all Responses to Crossing Orders executed in the PIM.
13. Non-Priority Customer orders will be charged a taker fee of \$0.50 per contract for trades executed against a Priority Customer. Priority Customer orders will be charged a taker fee of \$0.49 per contract for trades executed against a Priority Customer.
14. [This rebate is \$0.47 per contract for orders that improve the NBBO at the time of order entry.] Reserved.
15. [This rebate is \$0.71 per contract for orders that improve the NBBO at the time of order entry.] Reserved.
16. Non-Priority Customer orders will be charged a taker fee of \$1.10 per contract for trades executed against a Priority Customer. Priority Customer orders will be charged a taker fee of \$0.85 per contract for trades executed against a Priority Customer.

**Qualifying Tier Thresholds**

**Table 1**

<b>Tier</b>	<b>Total Affiliated Member ADV</b>	<b>Priority Customer Maker ADV</b>
<b>Tier 1</b>	0 – 99,999	0 – 19,999
<b>Tier 2</b>	100,000 – 224,999	20,000 – 99,999
<b>Tier 3</b>	225,000 – 349,999	100,000 – 149,999
<b>Tier 4</b>	350,000 or more	150,000 or more

**[Table 2]**

<b>[Tier]</b>	<b>[Performance Routing Program ADV]</b>
<b>[Tier 1]</b>	[0 – 9,999]
<b>[Tier 2]</b>	[10,000 or more]

- Any day that the market is not open for the entire trading day or the Exchange instructs members in writing to route their orders to other markets may be excluded from the ADV calculation; provided that the Exchange will only remove the day for members that would have a lower ADV with the day included.
- The highest tier threshold attained [by any method] above applies retroactively in a given month to all eligible traded contracts and applies to all eligible market participants. [The tiers described in Table 1 and Table 2 above are completely separate. See footnotes 3, 5, and 6 above.]
- All eligible volume from affiliated Members will be aggregated in determining applicable tiers, provided there is at least 75% common ownership between the Members as reflected on each Member’s Form BD, Schedule A.
- The Total Affiliated Member ADV category includes all volume in all symbols and order types, including both maker and taker volume and volume executed in the PIM, Facilitation, Solicitation, and QCC mechanisms.
- The Priority Customer Maker ADV category includes all Priority Customer volume that adds liquidity in all symbols.
- [The Performance Routing Program ADV category includes all Non-ISE Gemini Market Maker, Firm Proprietary / Broker-Dealer and Professional Customer maker volume in all symbols that improves the NBBO at the time of order entry.]

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