

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 - 2015 - * 27	Amendment No. (req. for Amendments *)
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Filing by International Securities Exchange
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"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<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 *).

Proposal to amend the Schedule of Fees to increase certain complex order fees and rebates.

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) 897-0367	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 *)

Date 09/01/2015	Secretary and General Counsel
By Michael Simon	
(Name *)	

Persona Not Validated - 1434392700842,

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 *

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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

Add Remove View

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) The International Securities Exchange, LLC (the “Exchange” or “ISE”) proposes to amend the Schedule of Fees to increase certain complex order fees and rebates as described in more detail below. 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 Exchange staff approved this proposed rule change pursuant to authority delegated to it by the Exchange’s Board of Directors on February 27, 2014. This action constitutes the requisite approval under the Exchange’s Certificate of Formation, Operating Agreement and Constitution.

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

(a) Purpose – The Exchange currently provides volume-based tiered rebates for Priority Customer¹ complex orders when these orders trade with non-Priority Customer orders in the complex order book, or trade with quotes and orders on the regular order book. These complex order rebates are provided to members based on the member’s average daily volume (“ADV”) in Priority Customer complex orders in six volume tiers as follows: 0 to 29,999 contracts (Tier 1), 30,000 to 59,999 contracts (Tier 2), 60,000 to 99,999 contracts (Tier 3), 100,000 to 149,999 contracts (Tier 4), 150,000 to 199,999 contracts (Tier 5), and 200,000 or more contracts (Tier 6). Currently, Priority Customer complex orders receive a rebate of \$0.30 per contract in Select Symbols² and \$0.63 per contract in Non-Select Symbols³ for Tier 1, \$0.35 per contract in Select Symbols and \$0.71 per contract in Non-Select Symbols for Tier 2, \$0.40 per contract in Select Symbols and \$0.78 per contract in Non-Select Symbols for Tier 3, \$0.43 per contract in Select Symbols and \$0.80 per contract in Non-Select Symbols for Tier 4, \$0.45 per contract in Select Symbols and \$0.82 per contract in Non-Select Symbols for Tier 5, and \$0.46 per contract in Select Symbols and \$0.83 per contract in Non-Select Symbols for

¹ 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).

² “Select Symbols” are options overlying all symbols listed on the ISE that are in the Penny Pilot Program.

³ “Non-Select Symbols” are options overlying all symbols excluding Select Symbols.

Tier 6.⁴ The Exchange now proposes to increase these rebates by \$0.01 per contract for members that achieve Tiers 3, 4, 5, and 6. As proposed, the Priority Customer complex order rebate in Select Symbols will be increased to \$0.41 per contract for Tier 3, \$0.44 per contract for Tier 4, \$0.46 per contract for Tier 5, and \$0.47 per contract for Tier 6. For Non-Select Symbols the rebate will be increased to \$0.79 per contract for Tier 3, \$0.81 per contract for Tier 4, \$0.83 per contract for Tier 5, and \$0.84 per contract for Tier 6. Other rebate amounts will remain unchanged from their current levels.

In addition, the Exchange charges complex order taker fees and an equivalent maker fee that applies specifically when trading against Priority Customer orders. In Select Symbols these fees are \$0.46 per contract for Market Maker⁵ orders (or \$0.43 per contract for Market Makers with total affiliated Priority Customer Complex ADV of 150,000 or more contracts),⁶ and \$0.47 per contract for Non-ISE Market Maker,⁷ Firm Proprietary⁸ / Broker-Dealer,⁹ and Professional Customer¹⁰ orders. In Non-Select Symbols these fees are \$0.85 per contract for Market Maker orders,¹¹ and \$0.87 per contract for Non-ISE Market Maker, Firm Proprietary / Broker-Dealer, and Professional Customer orders. The Exchange now proposes to increase these fees by \$0.01 per contract. As proposed, the taker fee and equivalent maker fee for trading against Priority Customer orders in Select Symbols will be increased to \$0.47 per contract for Market Maker orders (or \$0.44 per contract for Market Makers with total affiliated Priority

⁴ These rebates are provided per contract per leg if the order trades with non-Priority Customer orders in the complex order book, or trades with quotes and orders on the regular order book.

⁵ The term “Market Makers” refers to “Competitive Market Makers” and “Primary Market Makers” collectively. See Rule 100(a)(25).

⁶ ISE Market Makers making or taking liquidity receive a discount of \$0.02 when trading against Priority Customer orders preferenced to them in the complex order book in equity options that are able to be listed and traded on more than one options exchange. This discount does not apply to FX Options Symbols or to option classes designated by the Exchange to receive a guaranteed allocation pursuant to ISE Rule 722(b)(3)(i)(B).

⁷ A “Non-ISE 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.

⁸ A “Firm Proprietary” order is an order submitted by a member for its own proprietary account.

⁹ A “Broker-Dealer” order is an order submitted by a member for a broker-dealer account that is not its own proprietary account.

¹⁰ A “Professional Customer” is a person or entity that is not a broker/dealer and is not a Priority Customer.

¹¹ ISE Market Makers making or taking liquidity receive a discount of \$0.02 when trading against Priority Customer orders preferenced to them in the complex order book in equity options that are able to be listed and traded on more than one options exchange. This discount does not apply to FX Options Symbols or to option classes designated by the Exchange to receive a guaranteed allocation pursuant to ISE Rule 722(b)(3)(i)(B).

Customer Complex ADV of 150,000 or more contracts), and \$0.48 per contract for Non-ISE Market Maker, Firm Proprietary / Broker-Dealer, and Professional Customer orders. In Non-Select Symbols the fee will be increased to \$0.86 per contract for Market Maker orders, and \$0.88 per contract for Non-ISE Market Maker, Firm Proprietary / Broker-Dealer, and Professional Customer orders. Preferred Market Makers will continue to receive the applicable discount of \$0.02 per contract when trading against Priority Customer order preferenced to them in the complex order book.¹²

Finally, the Exchange charges a fee for responses to complex crossing orders that is \$0.47 per contract for Market Maker, Non-ISE Market Maker, Firm Proprietary / Broker-Dealer, Professional Customer, and Priority Customer orders in Select Symbols. In Non-Select Symbols this response fee is \$0.90 per contract for Market Maker orders, and \$0.95 per contract for Non-ISE Market Maker, Firm Proprietary / Broker-Dealer, Professional Customer, and Priority Customer orders. The Exchange now proposes to increase its complex order response fees by \$0.01 per contract. As proposed, the response fee in Select Symbols will be increased to \$0.48 per contract for all market participants, and the response fee in Non-Select Symbols will be increased to \$0.91 per contract for Market Maker orders, and \$0.96 per contract for Non-ISE Market Maker, Firm Proprietary / Broker-Dealer, Professional Customer, and Priority Customer orders.

(b) Basis – The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,¹³ in general, and Section 6(b)(4) of the Act,¹⁴ 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.

The Exchange believes that it is reasonable and equitable to increase the rebates provided to Priority Customer complex orders, as these proposed rebates are designed to attract additional Priority Customer complex order volume to the Exchange. The Exchange already provides volume-based tiered rebates for Priority Customer complex orders, and believes that increasing the rebates will incentivize members to send additional order flow to the ISE in order to achieve these rebates for their Priority Customer complex order volume, creating additional liquidity to the benefit of all members that trade complex orders on the Exchange. The Exchange also believes that the corresponding increase to the complex order taker fee and complex order maker fee for trading against Priority Customer orders, as well as the fee for responses to complex crossing orders, is reasonable and equitable as the proposed fees are set at levels that the Exchange believes will continue to be attractive to market participants that trade on ISE, and that are competitive with fees charged by other options exchanges.

The Exchange notes that Priority Customer orders will continue to receive complex order rebates,¹⁵ while other market participants will continue to pay a fee. The

¹² See notes 6 and 11 supra.

¹³ 15 U.S.C. 78f.

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ With the exception of responses to complex crossing orders where Priority Customers are charged a fee like other market participants.

Exchange does not believe that this is unfairly discriminatory as 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 (many of which do not result in executions) than Priority Customers. The Exchange also notes that Market Maker orders will continue to be eligible for lower fees than other non-Priority Customer orders. The Exchange does not believe that it is unfairly discriminatory provide lower fees to Market Maker orders 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,¹⁶ 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 believes that the proposed complex order fees and rebates remain competitive with fees and rebates offered on other options exchanges. 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.

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,¹⁷ 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.

¹⁶ 15 U.S.C. 78f(b)(8).

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

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

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-ISE-2015-27)

[Date]

Self-Regulatory Organizations; International Securities Exchange, 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 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 1, 2015, the International Securities Exchange, LLC (the "Exchange" or the "ISE") filed with the Securities and Exchange Commission the proposed rule change, as described in Items I, II, and III below, which items have been prepared by the self-regulatory organization. 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 ISE proposes to amend the Schedule of Fees to increase certain complex order fees and rebates as described in more detail below. The text of the proposed rule change is available on the Exchange's Web site (<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 self-regulatory organization 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 currently provides volume-based tiered rebates for Priority Customer³ complex orders when these orders trade with non-Priority Customer orders in the complex order book, or trade with quotes and orders on the regular order book. These complex order rebates are provided to members based on the member's average daily volume ("ADV") in Priority Customer complex orders in six volume tiers as follows: 0 to 29,999 contracts (Tier 1), 30,000 to 59,999 contracts (Tier 2), 60,000 to 99,999 contracts (Tier 3), 100,000 to 149,999 contracts (Tier 4), 150,000 to 199,999 contracts (Tier 5), and 200,000 or more contracts (Tier 6). Currently, Priority Customer complex orders receive a rebate of \$0.30 per contract in Select Symbols⁴ and \$0.63 per contract in Non-Select Symbols⁵ for Tier 1, \$0.35 per contract in Select Symbols and \$0.71 per contract in Non-Select Symbols for Tier 2, \$0.40 per contract in Select Symbols and \$0.78 per contract in Non-Select Symbols for Tier 3, \$0.43 per contract in Select Symbols and \$0.80 per contract in Non-Select Symbols for Tier 4, \$0.45 per contract in Select Symbols and \$0.82 per contract in Non-Select Symbols for Tier 5, and \$0.46 per contract in Select

³ 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).

⁴ "Select Symbols" are options overlying all symbols listed on the ISE that are in the Penny Pilot Program.

⁵ "Non-Select Symbols" are options overlying all symbols excluding Select Symbols.

Symbols and \$0.83 per contract in Non-Select Symbols for Tier 6.⁶ The Exchange now proposes to increase these rebates by \$0.01 per contract for members that achieve Tiers 3, 4, 5, and 6. As proposed, the Priority Customer complex order rebate in Select Symbols will be increased to \$0.41 per contract for Tier 3, \$0.44 per contract for Tier 4, \$0.46 per contract for Tier 5, and \$0.47 per contract for Tier 6. For Non-Select Symbols the rebate will be increased to \$0.79 per contract for Tier 3, \$0.81 per contract for Tier 4, \$0.83 per contract for Tier 5, and \$0.84 per contract for Tier 6. Other rebate amounts will remain unchanged from their current levels.

In addition, the Exchange charges complex order taker fees and an equivalent maker fee that applies specifically when trading against Priority Customer orders. In Select Symbols these fees are \$0.46 per contract for Market Maker⁷ orders (or \$0.43 per contract for Market Makers with total affiliated Priority Customer Complex ADV of 150,000 or more contracts),⁸ and \$0.47 per contract for Non-ISE Market Maker,⁹ Firm Proprietary¹⁰ / Broker-Dealer,¹¹ and Professional Customer¹² orders. In Non-Select

⁶ These rebates are provided per contract per leg if the order trades with non-Priority Customer orders in the complex order book, or trades with quotes and orders on the regular order book.

⁷ The term “Market Makers” refers to “Competitive Market Makers” and “Primary Market Makers” collectively. See Rule 100(a)(25).

⁸ ISE Market Makers making or taking liquidity receive a discount of \$0.02 when trading against Priority Customer orders preferenced to them in the complex order book in equity options that are able to be listed and traded on more than one options exchange. This discount does not apply to FX Options Symbols or to option classes designated by the Exchange to receive a guaranteed allocation pursuant to ISE Rule 722(b)(3)(i)(B).

⁹ A “Non-ISE 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.

¹⁰ A “Firm Proprietary” order is an order submitted by a member for its own proprietary account.

¹¹ A “Broker-Dealer” order is an order submitted by a member for a broker-dealer account that is not its own proprietary account.

Symbols these fees are \$0.85 per contract for Market Maker orders,¹³ and \$0.87 per contract for Non-ISE Market Maker, Firm Proprietary / Broker-Dealer, and Professional Customer orders. The Exchange now proposes to increase these fees by \$0.01 per contract. As proposed, the taker fee and equivalent maker fee for trading against Priority Customer orders in Select Symbols will be increased to \$0.47 per contract for Market Maker orders (or \$0.44 per contract for Market Makers with total affiliated Priority Customer Complex ADV of 150,000 or more contracts), and \$0.48 per contract for Non-ISE Market Maker, Firm Proprietary / Broker-Dealer, and Professional Customer orders. In Non-Select Symbols the fee will be increased to \$0.86 per contract for Market Maker orders, and \$0.88 per contract for Non-ISE Market Maker, Firm Proprietary / Broker-Dealer, and Professional Customer orders. Preferred Market Makers will continue to receive the applicable discount of \$0.02 per contract when trading against Priority Customer order preferenced to them in the complex order book.¹⁴

Finally, the Exchange charges a fee for responses to complex crossing orders that is \$0.47 per contract for Market Maker, Non-ISE Market Maker, Firm Proprietary / Broker-Dealer, Professional Customer, and Priority Customer orders in Select Symbols. In Non-Select Symbols this response fee is \$0.90 per contract for Market Maker orders, and \$0.95 per contract for Non-ISE Market Maker, Firm Proprietary / Broker-Dealer, Professional Customer, and Priority Customer orders. The Exchange now proposes to

¹² A “Professional Customer” is a person or entity that is not a broker/dealer and is not a Priority Customer.

¹³ ISE Market Makers making or taking liquidity receive a discount of \$0.02 when trading against Priority Customer orders preferenced to them in the complex order book in equity options that are able to be listed and traded on more than one options exchange. This discount does not apply to FX Options Symbols or to option classes designated by the Exchange to receive a guaranteed allocation pursuant to ISE Rule 722(b)(3)(i)(B).

¹⁴ See notes 6 and 11 supra.

increase its complex order response fees by \$0.01 per contract. As proposed, the response fee in Select Symbols will be increased to \$0.48 per contract for all market participants, and the response fee in Non-Select Symbols will be increased to \$0.91 per contract for Market Maker orders, and \$0.96 per contract for Non-ISE Market Maker, Firm Proprietary / Broker-Dealer, Professional Customer, and Priority Customer orders.

2. Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,¹⁵ in general, and Section 6(b)(4) of the Act,¹⁶ 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.

The Exchange believes that it is reasonable and equitable to increase the rebates provided to Priority Customer complex orders, as these proposed rebates are designed to attract additional Priority Customer complex order volume to the Exchange. The Exchange already provides volume-based tiered rebates for Priority Customer complex orders, and believes that increasing the rebates will incentivize members to send additional order flow to the ISE in order to achieve these rebates for their Priority Customer complex order volume, creating additional liquidity to the benefit of all members that trade complex orders on the Exchange. The Exchange also believes that the corresponding increase to the complex order taker fee and complex order maker fee for trading against Priority Customer orders, as well as the fee for responses to complex crossing orders, is reasonable and equitable as the proposed fees are set at levels that the

¹⁵ 15 U.S.C. 78f.

¹⁶ 15 U.S.C. 78f(b)(4).

Exchange believes will continue to be attractive to market participants that trade on ISE, and that are competitive with fees charged by other options exchanges.

The Exchange notes that Priority Customer orders will continue to receive complex order rebates,¹⁷ while other market participants will continue to pay a fee. The Exchange does not believe that this is unfairly discriminatory as 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 (many of which do not result in executions) than Priority Customers. The Exchange also notes that Market Maker orders will continue to be eligible for lower fees than other non-Priority Customer orders. The Exchange does not believe that it is unfairly discriminatory provide lower fees to Market Maker orders 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,¹⁸ 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 believes that the proposed complex order fees and rebates remain competitive with fees and rebates offered on other options exchanges. The Exchange

¹⁷ With the exception of responses to complex crossing orders where Priority Customers are charged a fee like other market participants.

¹⁸ 15 U.S.C. 78f(b)(8).

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.

C. 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.

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 Act¹⁹ and subparagraph (f)(2) of Rule 19b-4 thereunder,²⁰ because it establishes a due, fee, or other charge imposed by ISE.

At any time within 60 days of the filing of such 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.

¹⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁰ 17 CFR 240.19b-4(f)(2).

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 No. SR-ISE-2015-27 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-ISE-2015-27. 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 Web site viewing and printing in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the ISE. 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-ISE-2015-27 and should be submitted by [insert date 21 days from the date of publication in the Federal Register].

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

Secretary

²¹ 17 CFR 200.30-3(a)(12).

Exhibit 5 - Text of the Proposed Rule Change

Underlining indicates additions; [Brackets] indicate deletion

* * *

II. Complex Order Fees and Rebates

Rebates

Market Participant	Rebate for Select Symbols ⁽¹⁾	Rebate for Non-Select Symbols ⁽¹⁾	PIM Break-up Rebate for Select Symbols ⁽²⁾	PIM Break-up Rebate for Non-Select Symbols ⁽²⁾	Facilitation and Solicitation Break-up Rebate for Select Symbols ⁽²⁾
Market Maker	N/A	N/A	N/A	N/A	N/A
Non-ISE Market Maker (FarMM)	N/A	N/A	(\$0.35)	(\$0.80)	(\$0.15)
Firm Proprietary / Broker-Dealer	N/A	N/A	(\$0.35)	(\$0.80)	(\$0.15)
Professional Customer	N/A	N/A	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 0-29,999 ⁽⁷⁾	(\$0.30)	(\$0.63)	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 30,000-59,999 ⁽⁷⁾	(\$0.35)	(\$0.71)	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 60,000-99,999 ⁽⁷⁾	[(\$0.40)] <u>(\$0.41)</u>	[(\$0.78)] <u>(\$0.79)</u>	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 100,000-149,999 ⁽⁷⁾	[(\$0.43)] <u>(\$0.44)</u>	[(\$0.80)] <u>(\$0.81)</u>	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 150,000-199,999 ⁽⁷⁾	[(\$0.45)] <u>(\$0.46)</u>	[(\$0.82)] <u>(\$0.83)</u>	(\$0.35)	(\$0.80)	(\$0.15)
Priority Customer Complex ADV 200,000+ ⁽⁷⁾	[(\$0.46)] <u>(\$0.47)</u>	[(\$0.83)] <u>(\$0.84)</u>	(\$0.35)	(\$0.80)	(\$0.15)

Maker Fees

Market Participant	Maker Fee for Select Symbols	Maker Fee for Non-Select Symbols	Maker Fee for Select Symbols when trading against Priority Customer ⁽⁵⁾	Maker Fee for non-Select Symbols when trading against Priority Customer ⁽⁵⁾
Market Maker	\$0.10	\$0.20	[\$0.46] <u>\$0.47</u> ⁽³⁾	[\$0.85] <u>\$0.86</u>
Non-ISE Market Maker (FarMM)	\$0.20	\$0.20	[\$0.47] <u>\$0.48</u>	[\$0.87] <u>\$0.88</u>
Firm Proprietary / Broker-Dealer	\$0.10	\$0.20	[\$0.47] <u>\$0.48</u>	[\$0.87] <u>\$0.88</u>
Professional Customer	\$0.10	\$0.20	[\$0.47] <u>\$0.48</u>	[\$0.87] <u>\$0.88</u>
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00

Taker and other Fees

Market Participant	Taker Fee for Select Symbols ⁽⁵⁾	Taker Fee for Non-Select Symbols ⁽⁵⁾	Fee for Crossing Orders ⁽⁶⁾⁽¹⁰⁾	Fee for PIM Orders of 100 or Fewer Contracts ⁽⁸⁾⁽⁹⁾	Fee for Responses to Crossing Orders for Select Symbols	Fee for Responses to Crossing Orders for non-Select Symbols
Market Maker	[\$0.46] <u>\$0.47</u> ⁽³⁾	[\$0.85] <u>\$0.86</u>	\$0.20	\$0.05	[\$0.47] <u>\$0.48</u>	[\$0.90] <u>\$0.91</u>
Non-ISE Market Maker (FarMM)	[\$0.47] <u>\$0.48</u>	[\$0.87] <u>\$0.88</u>	\$0.20	\$0.05	[\$0.47] <u>\$0.48</u>	[\$0.95] <u>\$0.96</u>
Firm Proprietary / Broker-Dealer	[\$0.47] <u>\$0.48</u>	[\$0.87] <u>\$0.88</u>	\$0.20	\$0.05	[\$0.47] <u>\$0.48</u>	[\$0.95] <u>\$0.96</u>
Professional Customer	[\$0.47] <u>\$0.48</u>	[\$0.87] <u>\$0.88</u>	\$0.20	\$0.05	[\$0.47] <u>\$0.48</u>	[\$0.95] <u>\$0.96</u>
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00	[\$0.47] <u>\$0.48</u>	[\$0.95] <u>\$0.96</u>

1. Rebate provided per contract per leg if the order trades with non-Priority Customer orders in the Complex Order Book or trades with quotes and orders on the regular order book.
2. Rebate provided per contract per leg for contracts that are submitted to PIM, Facilitation and Solicitation Mechanisms that do not trade with their contra order except when those contracts trade against pre-existing orders and quotes on the Exchange's orderbooks. The applicable fee is applied to any contracts for which a rebate is provided.
3. This fee is [\$0.43] \$0.44 per contract for Market Makers with total affiliated Priority Customer Complex ADV of 150,000 or more contracts. All eligible volume from affiliated Members will be aggregated in determining total affiliated Priority Customer Complex ADV, provided there is at least 75% common ownership between the Members as reflected on each Member's Form BD, Schedule A. For purposes of determining Priority Customer Complex ADV, any day that the complex order book is not open for the entire trading day may be excluded from such calculation; provided that the Exchange will only remove the day for members that would have a lower ADV with the day included.
4. Reserved.
5. ISE Market Makers making or taking liquidity receive a discount of \$0.02 when trading against Priority Customer orders preferenced to them in the Complex Order Book in equity options that are able to be listed and traded on more than one options exchange. This discount does not apply to FX Options Symbols or to option classes designated by the Exchange to receive a guaranteed allocation pursuant to ISE Rule 722(b)(3)(i)(B).
6. Firm Proprietary and Non-ISE Market Maker contracts traded are subject to the Crossing Fee Cap, as provided in Section IV.H.
7. The rebate for the highest tier volume achieved is applied retroactively to all Priority Customer Complex volume once the threshold has been reached. For purposes of determining Priority Customer Complex ADV, any day that the complex order book is not open for the entire trading day may be excluded from such calculation; provided that the Exchange will only remove the day for members that would have a lower ADV with the day included.
8. PIM orders of more than 100 contracts will pay the Fee for Crossing Orders.
9. Other than for Priority Customer orders, this fee is \$0.03 per contract for orders executed by Members that have an ADV of 20,000 or more Priority Customer contracts in a given month executed in the PIM. This discounted fee is applied retroactively to all eligible PIM volume in that month once the threshold has been reached.

10. Fee charged for all legs.
11. Fees apply to the originating and contra order.
12. The Exchange will charge a stock handling fee of \$0.0010 per share (capped at \$50 per trade) for the stock leg of stock-option orders executed against other stock-option orders in the complex order book.

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