

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 18 SECURITIES AND EXCHANGE COMMISSION File No.* SR - 2015 - * 35
 WASHINGTON, D.C. 20549
 Form 19b-4 Amendment No. (req. for Amendments *)

Filing by International Securities Exchange
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" 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) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

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

Description

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

Proposed rule change to comply with the requirements of Rule 1004 of Regulation SCI.

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 * Michael Last Name * Sanocki

Title * Assistant General Counsel

E-mail * msanocki@ise.com

Telephone * (212) 897-8144 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 10/23/2015 Secretary & 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

Add Remove View

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

Add Remove View

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 the “ISE”), as required by Rule 1004 of Regulation Systems Compliance and Integrity (“Regulation SCI”) under the Securities Exchange Act of 1934 (the “Exchange Act” or the “Act”), proposes to amend Rules 803, Obligations of Market Makers, and 1903, Order Routing to Other Exchanges, to designate all members that function as Primary Market Makers (“PMMs”) and Linkage Handlers (collectively “designated members”) as necessary for the maintenance of a fair and orderly market should business continuity and disaster recovery plans (collectively “DR Plans”) be activated, and proposes to require designated members to participate in scheduled functional and performance testing of the operation of such DR Plans.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The Board of Directors of the Exchange approved this proposed rule change on May 21, 2015. 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 – Rule 1004 requires the establishment of standards for the designation of those members the Exchange reasonably determines are, taken as a whole, the minimum necessary for the maintenance of a fair and orderly market should the Exchange’s business continuity and disaster recovery plans be activated. Rule 1004 also requires the Exchange to designate members pursuant to those standards and require participation by such members in scheduled functional and performance testing of the operation of such plans, in the manner and frequency specified by the Exchange, provided that such frequency shall not be less than once every 12 months. Therefore, in accordance with Rule 1004, the Exchange proposes to designate all PMMs¹ and Linkage Handlers,² as the minimum necessary for the maintenance of a fair and orderly market should the Exchange’s DR Plans be activated. This proposed rule also mandates

¹ A PMM posts two-sided continuous quotations in all of the options classes to which it is appointed and undertakes special responsibilities for maintaining fair and orderly markets. PMM memberships are represented by PMM Trading Rights. The options classes trading on the ISE are divided into groups or “bins”, each with one PMM. One PMM member may, however, represent more than one bin.

² A Linkage Handler is a broker that is unaffiliated with the Exchange with which the Exchange has contracted with to provide routing services, by routing certain orders, to other exchanges as agent in connection with the Options Order Protection and Locked/Crossed Market Plan. See .03 to Supplementary Material to Rule 1901.

participation by designated members in scheduled functional and performance testing of the operation of such DR Plans.

Background

On November 19, 2014, the Securities and Exchange Commission unanimously voted to adopt Regulation SCI, which is a set of rules designed to strengthen the technology infrastructure of the U.S. securities markets.³ Specifically, the rules are designed to reduce the occurrence of systems issues, improve resiliency when systems problems do occur, and enhance the Commission's oversight and enforcement of securities market technology infrastructure.⁴

Regulation SCI applies to "SCI entities," a term which includes SROs such as ISE. Regulation SCI requires SCI entities to, among other things, 1) establish written policies and procedures reasonably designed to ensure that their systems have levels of capacity, integrity, resiliency, availability, and security adequate to maintain their operational capability; 2) mandate participation by designated members in scheduled testing of the operation of their business continuity and disaster recovery plans, including backup systems, and to coordinate such testing on an industry- or sector-wide basis with other SCI entities; 3) take corrective action with respect to "SCI events" (such as systems disruptions, systems compliance issues, and systems intrusions), and to notify the Commission of such events; 4) disseminate information about certain SCI events to affected members and, for certain "major" SCI events, to all members; and 5) review their systems by objective, qualified personnel at least annually, to submit quarterly reports regarding completed, ongoing, and planned material changes to their SCI systems to the Commission, and to maintain certain books and records.⁵

Proposed Rule Change

Rule 1004 of Regulation SCI requires the establishment of standards for the designation of those members ISE reasonably determines are, taken as a whole, the minimum necessary for the maintenance of a fair and orderly market should the Exchange activate its DR Plans. To comply with this rule, the Exchange proposes to amend .02 of Supplementary Material to Rule 803, Obligations of Market Makers, and .03 of Supplementary Material to Rule 1903, Order Routing to Other Exchanges, by designating all members that function as PMMs and Linkage Handlers, respectively.⁶

³ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 FR 72252 (December 5, 2014) ("SCI Adopting Release").

⁴ Division of Trading and Markets, Responses to Frequently Asked Questions Concerning Regulation SCI at <https://www.sec.gov/divisions/marketreg/regulation-sci-faq.shtml>.

⁵ Id.

⁶ The Exchange notes that these designations are determined by the members' respective functions.

ISE believes PMMs (together with Linkage Handlers) meet the requirements of Regulation SCI because they are vital to maintaining a fair and orderly market. Among other things, PMMs compete with other market makers⁷ to improve the market in all series of options classes to which the PMM is appointed; make markets that are honored for the number of contracts entered into the Exchange's system in all series of options classes to which the PMM is appointed; update market quotations in response to changed market conditions in all series of options classes to which the PMM is appointed; and price option contracts fairly.⁸ If the DR Plans are activated, PMMs will ensure ISE's market continues to run smoothly. Similarly, Linkage Handlers meet the requirements of Regulation SCI because they route orders to other exchanges when ISE is not at the National Best Bid or Offer ("NBBO"). Should the DR Plans be activated, Linkage Handlers will ensure that investors receive the best price available across all exchanges for their orders.

Rule 1004 also requires that the Exchange mandate participation by designated members in scheduled functional and performance testing of the operation of such plans, in the manner and frequency specified by the Exchange, provided that such frequency shall not be less than once every 12 months. The Exchange now proposes that PMMs and Linkage Handlers are required to participate in scheduled functional and performance testing of such plans at least once every 12 months. This testing will prepare the designated members for certain SCI events, and enable the market to continue operating without major issues during such events.

(b) Basis – The Exchange believes that the proposed rule change is consistent with the requirements of the Act, and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.⁹ In particular, the proposal is consistent with Section 6(b)(5) of the Act,¹⁰ because it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes the proposed rule is consistent with the Exchange Act because it complies with Regulation SCI's requirements. ISE's rule designates members it determines are necessary for the maintenance of a fair and orderly market if the Exchange's DR Plans are activated and mandates participation by designated members in scheduled functional and performance testing of the DR Plans at least once every 12 months.

The Exchange further believes the proposed rule change is consistent with the protection of investors and the public interest because ISE has designated PMMs, which

⁷ Market makers refers to "Competitive Market Makers" and "PMMs" collectively. See Rule 100(a)(25).

⁸ See Rule 803.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

maintain a fair and orderly market by making markets that are honored, competing with other market makers to improve the market, updating market quotations, and pricing option contracts fairly. Similarly, ISE has also designated Linkage Handlers, which route certain orders to other exchanges when ISE is not at the NBBO. This provides investors with the best price available across exchanges for their orders. Further, the proposed rule is consistent with the protection of investors and the public interest because, as proposed, these designated members are required to participate in functional and performance testing of the DR Plans. As a result, if the DR Plans are activated, the designated members and their systems will be prepared to handle a potential SCI event and ensure that investors can continue to trade during the event.

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

This proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act because ISE is implementing the requirements of Regulation SCI.

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

The Exchange has neither solicited nor received written comments on this proposed rule change. The Exchange has not received any 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) of the Act,¹¹ and Rule 19b-4(f)(6)¹² thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that the proposed rule change will not impose any significant burden on competition, or significantly affect the protection of investors or the public interest, and therefore qualifies as “non-controversial” under Rule 19b-4(f)(6). Regulation SCI mandates the proposed rule changes to strengthen the technology infrastructure of the U.S. securities markets. Accordingly, ISE’s proposed rule implements the requirements of Regulation SCI, as discussed above.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. Furthermore, 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.

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.

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

This proposed rule change is based on Regulation SCI as adopted by 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-2015-35)

[Date]

Self-Regulatory Organizations; International Securities Exchange; Notice of Filing of Proposed Rule Change to Comply with the Requirements of Rule 1004 of Regulation SCI

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 October 23, 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

ISE proposes to designate all members that function as Primary Market Makers ("PMMs") and Linkage Handlers (collectively "designated members") as necessary for the maintenance of a fair and orderly market should business continuity and disaster recovery plans (collectively "DR Plans") be activated, and proposes to require designated members to participate in scheduled functional and performance testing of the operation of such DR Plans by amending amend Rules 803, Obligations of Market Makers, and

¹ 15 U.S.C. 78s(b)(1).

1903, Order Routing to Other Exchanges. The text of the proposed rule change is available on the Exchange's website at 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 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

(a) Purpose –

(a) Rule 1004 requires the establishment of standards for the designation of those members the Exchange reasonably determines are, taken as a whole, the minimum necessary for the maintenance of a fair and orderly market should the Exchange's business continuity and disaster recovery plans be activated. Rule 1004 also requires the Exchange to designate members pursuant to those standards and require participation by such members in scheduled functional and performance testing of the operation of such plans, in the manner and frequency specified by the Exchange, provided that such frequency shall not be less than once every 12 months. Therefore, in accordance with Rule 1004, the Exchange proposes to designate all PMMs³ and Linkage Handlers,⁴ as the

² 17 CFR 240.19b-4.

³ A PMM posts two-sided continuous quotations in all of the options classes to which it is appointed and undertakes special responsibilities for maintaining fair and orderly

minimum necessary for the maintenance of a fair and orderly market should the Exchange's DR Plans be activated. This proposed rule also mandates participation by designated members in scheduled functional and performance testing of the operation of such DR Plans.

Background

On November 19, 2014, the Securities and Exchange Commission unanimously voted to adopt Regulation SCI, which is a set of rules designed to strengthen the technology infrastructure of the U.S. securities markets.⁵ Specifically, the rules are designed to reduce the occurrence of systems issues, improve resiliency when systems problems do occur, and enhance the Commission's oversight and enforcement of securities market technology infrastructure.⁶

Regulation SCI applies to "SCI entities," a term which includes SROs such as ISE. Regulation SCI requires SCI entities to, among other things, 1) establish written policies and procedures reasonably designed to ensure that their systems have levels of capacity, integrity, resiliency, availability, and security adequate to maintain their operational capability; 2) mandate participation by designated members in scheduled testing of the operation of their business continuity and disaster recovery plans, including

markets. PMM memberships are represented by PMM Trading Rights. The options classes trading on the ISE are divided into groups or "bins", each with one PMM. One PMM member may, however, represent more than one bin.

⁴ A Linkage Handler is a broker that is unaffiliated with the Exchange with which the Exchange has contracted with to provide routing services, by routing certain orders, to other exchanges as agent in connection with the Options Order Protection and Locked/Crossed Market Plan. See .03 to Supplementary Material to Rule 1901.

⁵ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 FR 72252 (December 5, 2014) ("SCI Adopting Release").

⁶ Division of Trading and Markets, Responses to Frequently Asked Questions Concerning Regulation SCI at <https://www.sec.gov/divisions/marketreg/regulation-sci-faq.shtml>.

backup systems, and to coordinate such testing on an industry- or sector-wide basis with other SCI entities; 3) take corrective action with respect to “SCI events” (such as systems disruptions, systems compliance issues, and systems intrusions), and to notify the Commission of such events; 4) disseminate information about certain SCI events to affected members and, for certain “major” SCI events, to all members; and 5) review their systems by objective, qualified personnel at least annually, to submit quarterly reports regarding completed, ongoing, and planned material changes to their SCI systems to the Commission, and to maintain certain books and records.⁷

Proposed Rule Change

Rule 1004 of Regulation SCI requires the establishment of standards for the designation of those members ISE reasonably determines are, taken as a whole, the minimum necessary for the maintenance of a fair and orderly market should the Exchange activate its DR Plans. To comply with this rule, the Exchange proposes to amend .02 of Supplementary Material to Rule 803, Obligations of Market Makers, and .03 of Supplementary Material to Rule 1903, Order Routing to Other Exchanges, by designating all members that function as PMMs and Linkage Handlers, respectively.⁸

ISE believes PMMs (together with Linkage Handlers) meet the requirements of Regulation SCI because they are vital to maintaining a fair and orderly market. Among other things, PMMs compete with other market makers⁹ to improve the market in all series of options classes to which the PMM is appointed; make markets that are honored for the number of contracts entered into the Exchange’s system in all series of options

⁷ Id.

⁸ The Exchange notes that these designations are determined by the members’ respective functions.

classes to which the PMM is appointed; update market quotations in response to changed market conditions in all series of options classes to which the PMM is appointed; and price option contracts fairly.¹⁰ If the DR Plans are activated, PMMs will ensure ISE's market continues to run smoothly. Similarly, Linkage Handlers meet the requirements of Regulation SCI because they route orders to other exchanges when ISE is not at the National Best Bid or Offer ("NBBO"). Should the DR Plans be activated, Linkage Handlers will ensure that investors receive the best price available across all exchanges for their orders.

Rule 1004 also requires that the Exchange mandate participation by designated members in scheduled functional and performance testing of the operation of such plans, in the manner and frequency specified by the Exchange, provided that such frequency shall not be less than once every 12 months. The Exchange now proposes that PMMs and Linkage Handlers are required to participate in scheduled functional and performance testing of such plans at least once every 12 months. This testing will prepare the designated members for certain SCI events, and enable the market to continue operating without major issues during such events.

(b) Basis –

The Exchange believes that the proposed rule change is consistent with the requirements of the Act, and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.¹¹ In particular, the proposal is consistent with Section 6(b)(5) of the Act,¹²

⁹ Market makers refers to "Competitive Market Makers" and "PMMs" collectively. See Rule 100(a)(25).

¹⁰ See Rule 803.

¹¹ 15 U.S.C. 78f(b).

because it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes the proposed rule is consistent with the Exchange Act because it complies with Regulation SCI's requirements. ISE's rule designates members it determines are necessary for the maintenance of a fair and orderly market if the Exchange's DR Plans are activated and mandates participation by designated members in scheduled functional and performance testing of the DR Plans at least once every 12 months.

The Exchange further believes the proposed rule change is consistent with the protection of investors and the public interest because ISE has designated PMMs, which maintain a fair and orderly market by making markets that are honored, competing with other market makers to improve the market, updating market quotations, and pricing option contracts fairly. Similarly, ISE has also designated Linkage Handlers, which route certain orders to other exchanges when ISE is not at the NBBO. This provides investors with the best price available across exchanges for their orders. Further, the proposed rule is consistent with the protection of investors and the public interest because, as proposed, these designated members are required to participate in functional and performance testing of the DR Plans. As a result, if the DR Plans are activated, the designated members and their systems will be prepared to handle a potential SCI event and ensure that investors can continue to trade during the event.

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

¹² 15 U.S.C. 78f(b)(5).

This proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act because ISE is implementing the requirements of Regulation SCI.

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

The Exchange has neither solicited nor received written comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹³ and Rule 19b-4(f)(6) thereunder.¹⁴ The Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing the proposed rule change, or such shorter time as designated by the Commission, as required by Rule 19b-4(f)(6).

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

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6).

protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an E-mail to rule-comments@sec.gov. Please include File No. SR-ISE-2015-35 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.

All submissions should refer to File Number SR-ISE-2015-35. 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

inspection and copying 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-2015-35 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.¹⁵

Secretary

¹⁵ 17 CFR 200.30-3(a)(12).

Exhibit 5

Text of the Proposed Rule Change

Underlining indicates additions; [brackets] indicate deletions.

* * *

Rule 803. Obligations of Market Makers

* * *

Supplementary Material to Rule 803

* * *

.02 [Reserved] Rule 1004 of Regulation SCI under the Exchange Act requires the establishment of standards for the designation of those Members the Exchange reasonably determines are, taken as a whole, the minimum necessary for the maintenance of a fair and orderly market should the Exchange's business continuity and disaster recovery plans be activated. Rule 1004 also requires the Exchange to designate Members pursuant to those standards and require participation by such Designated Members in scheduled functional and performance testing of the operation of such plans, in the manner and frequency specified by the Exchange, provided that such frequency shall not be less than once every 12 months. Therefore, in accordance with Rule 1004, Primary Market Makers have been designated by the Exchange as necessary for the maintenance of a fair and orderly market should the Exchange's business continuity and disaster recovery plans be activated. As the result of such designation, Primary Market Makers are required to participate in scheduled functional and performance testing of such plans at least once every 12 months.

* * *

Rule 1903. Order Routing to Other Exchanges

* * *

Supplementary Material to Rule 1903

* * *

.03 Rule 1004 of Regulation SCI under the Exchange Act requires the establishment of standards for the designation of those Members the Exchange reasonably determines are, taken as a whole, the minimum necessary for the maintenance of a fair and orderly market should the Exchange's business continuity and disaster recovery plans be activated. Rule 1004 also requires the Exchange to designate Members pursuant to those standards and require participation by such Designated Members in scheduled functional and performance testing of the operation of such plans, in the manner and frequency specified by the Exchange, provided that such frequency shall not be less than once every 12 months. Therefore, in accordance with Rule 1004 of Regulation

SCI under the Exchange Act, Linkage Handlers have been designated by the Exchange as necessary for the maintenance of a fair and orderly market should the Exchange's business continuity and disaster recovery plans be activated. As the result of such designation, Linkage Handlers are required to participate in functional and performance testing of such plans at least once every 12 months.

* * *