

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * SECURITIES AND EXCHANGE COMMISSION File No.* SR - - *
 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 checked="" type="checkbox"/>	<input 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 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 *).

Proposal to amend the Supplementary Material to ISE Rule 1901, titled Order Protection, in connection with a system migration to Nasdaq INET technology.

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 * Last Name *
 Title *
 E-mail *
 Telephone * 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
 By

(Name *)

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 *

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, 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

Add Remove View

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

Add Remove View

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 (“ISE” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend the Supplementary Material to ISE Rule 1901, titled “Order Protection” in connection with a system migration to Nasdaq INET technology.

A notice of the proposed rule change for publication in the Federal Register is at Exhibit 1 and the text of the amended Exchange Rule is at Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board of Directors of the Exchange on November 10, 2016. No other action is necessary for the filing of the rule change.

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

Angela Saccomandi Dunn
Associate General Counsel
Nasdaq, Inc.
215-496-5692.

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

Sun Kim
Assistant General Counsel

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

International Securities Exchange, LLC
212-897-0238

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

a. Purpose

The purpose of this rule change is to amend the Supplementary Material to ISE Rule 1901, titled "Order Protection" to reflect the ISE, ISE Gemini, LLC and ISE Mercury, LLC technology migration to a Nasdaq, Inc. ("Nasdaq") supported architecture. INET is the proprietary core technology utilized across Nasdaq's global markets and utilized on The NASDAQ Options Market LLC ("NOM"), NASDAQ PHLX LLC ("Phlx") and NASDAQ BX, Inc. ("BX") (collectively, "Nasdaq Exchanges"). The migration of ISE to the Nasdaq INET architecture would result in higher performance, scalability, and more robust architecture. With this system migration, the Exchange intends to adopt certain trading functionality currently utilized at Nasdaq Exchanges. The functionality being adopted is described in this filing.

Generally

With the re-platform, the Exchange will now be built on the Nasdaq INET architecture, which allows certain trading system functionality to be performed in parallel. The Exchange believes that this architecture change will improve the member experience by reducing overall latency compared to the current ISE, ISE Gemini, LLC and ISE Mercury, LLC system because of the manner in which the system is segregated into component parts to handle processing.

Trading Halts

The Exchange proposes to amend Supplementary Material .02 to Rule 1901 to add a new provision to memorialize the impact of a trading halt on the exposure period.

Today, when a trading halt is triggered, ISE terminates the exposure period and executes eligible interest. Phlx Rule 1047(c) provides that in the event the Exchange halts trading, all trading in the affected option shall be halted. This is interpreted to restrict executions after a halt unless there is a specific rule specifying that such trades should take place. Halting the exposure period without execution is a change from current ISE behavior however, the Exchange believes participants prefer certainty in regard to how their interest will be handled in the event of a trading halt and prefer consistency of behavior across market centers. Memorializing this behavior will increase transparency of the operation of the Exchange for the benefit of Members and investors.

Implementation

The Exchange intends to begin implementation of the proposed rule change in tandem with a technology migration to Nasdaq INET architecture. The migration will be on a symbol by symbol basis, and the Exchange will issue a notice to provide Members with notification of the symbols that will migrate and the relevant dates. With respect to the amendment to Supplementary Material .02 to Rule 1901, the rule change impact not only ISE, but also ISE Gemini, LLC and ISE Mercury, LLC because Chapter 19 is incorporated by reference into those rulebooks. The Exchange proposes that the implementation of this rule change into each rulebook occur as specified herein. ISE rule changes will be implemented in Q2 2017 on a symbol by symbol basis, as noted above. ISE Gemini, LLC rule changes will be implemented in Q1 2017 on a symbol by symbol basis. ISE Mercury, LLC rule changes will be implemented in Q3 2017 on a symbol by symbol basis. The Exchange will add the following rule text to make clear the implementation date in each rulebook: “The amended rule text will be implemented on a

symbol by symbol basis for ISE Gemini, LLC in Q1, for ISE in Q2 and for ISE Mercury, LLC in Q3, the specific dates will be announced in a separate notice.”

(b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,³ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁴ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest for the reasons stated below.

Trading Halts

The Exchange’s proposal to amend Supplementary Material .02 to Rule 1901 to add a new provision to memorialize the impact of a trading halt on the exposure period is consistent with the Act because halting the exposure period without execution provides certainty to market participants with respect to how their interest will be handled in the event of a trading halt. This method will also provide consistency of behavior across market centers. Memorializing this behavior will increase transparency of the operation of the Exchange for the benefit of Members and investors.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. As explained above, the Exchange is re-platforming its trading system onto the

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(5).

Nasdaq INET architecture, and is making certain other changes to its trading functionality in connection with this migration. Amending the Supplementary Material .02 to Rule 1901 will not impact the intense competition that exists in the options market. In fact, the Exchange believes that this proposal will provide clarity as to the manner in which a trading halt impacts exposure periods, thereby providing certainty to all market participants.

5. 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.

6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time period for Commission action.

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

Not applicable.

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

The proposed rule change is generally based on Phlx Rule 1047, which provides guidance as to the impact of trading halts on Phlx.

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 for publication in the Federal Register.

5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-ISE-2016-31)

December __, 2016

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing of Proposed Rule Change to Amend Exchange Rule in Connection with a System Migration to Nasdaq INET Technology

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹, and Rule 19b-4 thereunder,² notice is hereby given that on December 16, 2016, the International Securities Exchange, LLC (“ISE” 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 Supplementary Material to ISE Rule 1901, titled “Order Protection” in connection with a system migration to Nasdaq INET technology.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The purpose of this rule change is to amend the Supplementary Material to ISE Rule 1901, titled "Order Protection" to reflect the ISE, ISE Gemini, LLC and ISE Mercury, LLC technology migration to a Nasdaq, Inc. ("Nasdaq") supported architecture. INET is the proprietary core technology utilized across Nasdaq's global markets and utilized on The NASDAQ Options Market LLC ("NOM"), NASDAQ PHLX LLC ("Phlx") and NASDAQ BX, Inc. ("BX") (collectively, "Nasdaq Exchanges"). The migration of ISE to the Nasdaq INET architecture would result in higher performance, scalability, and more robust architecture. With this system migration, the Exchange intends to adopt certain trading functionality currently utilized at Nasdaq Exchanges. The functionality being adopted is described in this filing.

Generally

With the re-platform, the Exchange will now be built on the Nasdaq INET architecture, which allows certain trading system functionality to be performed in parallel. The Exchange believes that this architecture change will improve the member experience by reducing overall latency compared to the current ISE, ISE Gemini, LLC

and ISE Mercury, LLC system because of the manner in which the system is segregated into component parts to handle processing.

Trading Halts

The Exchange proposes to amend Supplementary Material .02 to Rule 1901 to add a new provision to memorialize the impact of a trading halt on the exposure period. Today, when a trading halt is triggered, ISE terminates the exposure period and executes eligible interest. Phlx Rule 1047(c) provides that in the event the Exchange halts trading, all trading in the affected option shall be halted. This is interpreted to restrict executions after a halt unless there is a specific rule specifying that such trades should take place. Halting the exposure period without execution is a change from current ISE behavior however, the Exchange believes participants prefer certainty in regard to how their interest will be handled in the event of a trading halt and prefer consistency of behavior across market centers. Memorializing this behavior will increase transparency of the operation of the Exchange for the benefit of Members and investors.

Implementation

The Exchange intends to begin implementation of the proposed rule change in tandem with a technology migration to Nasdaq INET architecture. The migration will be on a symbol by symbol basis, and the Exchange will issue a notice to provide Members with notification of the symbols that will migrate and the relevant dates. With respect to the amendment to Supplementary Material .02 to Rule 1901, the rule change impact not only ISE, but also ISE Gemini, LLC and ISE Mercury, LLC because Chapter 19 is incorporated by reference into those rulebooks. The Exchange proposes that the implementation of this rule change into each rulebook occur as specified herein. ISE rule changes will be implemented in Q2 2017 on a symbol by symbol basis, as noted above.

ISE Gemini, LLC rule changes will be implemented in Q1 2017 on a symbol by symbol basis. ISE Mercury, LLC rule changes will be implemented in Q3 2017 on a symbol by symbol basis. The Exchange will add the following rule text to make clear the implementation date in each rulebook: “The amended rule text will be implemented on a symbol by symbol basis for ISE Gemini, LLC in Q1, for ISE in Q2 and for ISE Mercury, LLC in Q3, the specific dates will be announced in a separate notice.”

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,³ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁴ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest for the reasons stated below.

Trading Halts

The Exchange’s proposal to amend Supplementary Material .02 to Rule 1901 to add a new provision to memorialize the impact of a trading halt on the exposure period is consistent with the Act because halting the exposure period without execution provides certainty to market participants with respect to how their interest will be handled in the event of a trading halt. This method will also provide consistency of behavior across market centers. Memorializing this behavior will increase transparency of the operation of the Exchange for the benefit of Members and investors.

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(5).

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. As explained above, the Exchange is re-platforming its trading system onto the Nasdaq INET architecture, and is making certain other changes to its trading functionality in connection with this migration. Amending the Supplementary Material .02 to Rule 1901 will not impact the intense competition that exists in the options market. In fact, the Exchange believes that this proposal will provide clarity as to the manner in which a trading halt impacts exposure periods, thereby providing certainty to all market participants.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-ISE-2016-31 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-2016-31. 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-ISE-2016-31 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.⁵

Robert W. Errett
Deputy Secretary

⁵ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text is in brackets.

**INTERNATIONAL SECURITIES EXCHANGE
RULES**

* * * * *

**CHAPTER 19
Order Protection; Locked and Crossed Markets**

* * * * *

Rule 1901. Order Protection

The amended rule text will be implemented on a symbol by symbol basis for ISE Gemini, LLC in Q1, for ISE in Q2 and for ISE Mercury, LLC in Q3, the specific dates will be announced in a separate notice.

(a) - (b) No change.

Supplementary Material to Rule 1901

.01 No change.

.02 When the automatic execution of an incoming order would result in an impermissible Trade Through, such order shall be exposed at the current NBBO to all Exchange Members for a time period established by the Exchange not to exceed one (1) second. During the exposure period, Exchange Members may enter responses up to the size of the order being exposed in the regular trading increment applicable to the option. If a trading halt is initiated during the exposure period, the exposure period will be terminated without execution.

(a) – (f) No change.

.03 - .07 No change.

* * * * *