

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="20"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2017"/> - * <input type="text" value="37"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by Nasdaq ISE, LLC
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			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 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) * <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 designate that a symbol will not be eligible for Market Maker quotes in the complex order book after the symbol migrates 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 * <input type="text" value="Angela"/>	Last Name * <input type="text" value="Dunn"/>
Title * <input type="text" value="Principal Associate General Counsel"/>	
E-mail * <input type="text" value="Angela.Dunn@nasdaq.com"/>	
Telephone * <input type="text" value="(215) 496-5692"/>	Fax <input type="text"/>

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 <input type="text" value="04/26/2017"/>	Executive Vice President and General Counsel
By <input type="text" value="Edward S. Knight"/>	<input type="text"/>
(Name *)	<input type="text" value="edward.knight@nasdaq.com"/>

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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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

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) Nasdaq ISE, 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 designate that a symbol will not be eligible for Market Maker quotes in the complex order book after the symbol migrates to Nasdaq INET technology. In addition, that symbol will trade in price/time priority.

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

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

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

Today, ISE permits Market Makers to enter quotes on certain symbols for complex strategies on the complex order book in their appointed options classes. Market Maker quotes for complex strategies are not automatically executed against bids and offers on the Exchange for the individual legs nor can they be marked for price improvement.³ Market Makers are not required to enter quotes on the Exchange's complex order book. Quotes for complex orders are not subject to any quotation requirements that are applicable to Market Maker quotes in the regular market for individual options series or classes, nor is any volume executed in complex orders taken into consideration when determining whether Market Makers are meeting quotation obligations applicable to market maker quotes in the regular market for individual options series.

The Exchange proposes to designate that a symbol will not be eligible for Market Maker quotes in the complex order book after the symbol migrates to the INET platform. Specifically, the Exchange filed a proposal to begin the system migration to Nasdaq INET in Q2 of 2017.⁴ The migration to INET will be on a symbol by symbol basis as specified by the Exchange in a notice to Members.⁵ The Exchange is proposing to

³ See Supplementary Material .03 to Rule 722.

⁴ See Securities Exchange Act Release No. 80432 (April 11, 2017), 82 FR 18191 (April 17, 2017) (SR-ISE-2017-03) (Order Approving Proposed Rule Change, as Modified by Amendment No. 1, to Amend Various Rules in Connection with a System Migration to Nasdaq INET Technology).

⁵ The Exchange will issue an Options Trader Alert prior to the migration and will specify the dates that symbols will migrate to the INET platform.

implement this rule change on the INET platform as the symbols migrate to that platform. Once a symbol moves to INET no complex quoting⁶ will be available for that symbol and the symbol will be allocated in price/time priority.

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.⁷

The Exchange is staging the re-platform to provide maximum benefit to its Members while also ensuring a successful rollout. As symbols migrate to the INET functionality, the symbols that are currently enabled for Market Maker Quotes will become ineligible for complex quoting. This will provide the Exchange additional time to test and implement this functionality on the INET platform. The Exchange will issue an Options Trader Alert to all Members notifying them that complex order quoting functionality will no longer be available after a symbol migrates to INET.⁸

Within a year from the date of filing this rule change, the Exchange will offer complex quoting functionality on the ISE INET platform. Thereafter, Exchange may offer the complex quoting from time to time with notice to members. At the time the

⁶ The Exchange notes that Phlx does not offer complex order quoting functionality.

⁷ See note 4 above.

⁸ Even though the complex quoting functionality will not be available, Market Makers will still be able to submit complex orders.

Exchange designates a symbol as available for complex quoting, it will also designate the allocation methodology for that symbol pursuant to ISE Rule 722(b)(3)(i).

(b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest because the Exchange desires to rollout the complex order quoting functionality at a later date to allow additional time to rebuild this technology on the new platform.

Not offering the Market Maker quotes in the complex order book with the symbol migration to INET, will allow the Exchange additional time to test and implement this functionality. The Exchange will provide Members with ample notice of the turn-off of this functionality in an Options Trader Alert. The Exchange will continue to provide notification to Members to ensure clarity about the availability of this functionality with the symbol migration.

The Exchange is proposing to implement this rule change on the INET platform as the symbols migrate to that platform. Once a symbol moves to INET, no complex quoting¹¹ will be available for that symbol and the Exchange will specify that the allocation methodology for that symbol will be price/time. Within a year from the date of

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ The Exchange notes that Phlx does not offer complex order quoting functionality.

filing this rule change, the Exchange will offer complex quoting functionality on the ISE INET platform. Thereafter, the Exchange may offer the complex quoting for specified symbols from time to time with notice to members. At the time the Exchange designates a symbol as available for complex quoting, it will also designate the allocation methodology for that symbols pursuant to ISE Rule 722(b)(3)(i).

Even though the complex quoting functionality will not be available, Market Makers will still be able to submit complex orders. The Exchange does not anticipate any significant impact with respect to execution quality. The Exchange notes that Phlx does not offer complex order quoting functionality.¹²

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. The Exchange does not believe that the proposed rule change will impact the intense competition that exists in the options market. Members will be able to continue to submit complex orders on ISE; however Market Maker quotes in the complex order book will not be available after a symbol migrates to INET. The Exchange does not believe that the proposed rule change will impose any burden on intra-market competition because all Members uniformly will not be able to submit Market Maker quotes in the complex order book.

The Exchange is proposing to implement this rule change on the INET platform as the symbols migrate to that platform. Once a symbol moves to INET, no complex

¹² See Phlx Rule 1098.

quoting¹³ will be available for that symbol and the Exchange will specify the allocation methodology for that symbol as price/time. Within a year from the date of filing this rule change, the Exchange will offer complex quoting functionality on the ISE INET platform. Thereafter, the Exchange may offer the complex quoting for specified symbols from time to time with notice to members. At the time the Exchange designates a symbol as available for complex quoting, it will also designate the allocation methodology for that symbol pursuant to ISE Rule 722(b)(3)(i).

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

Not applicable.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)¹⁴ of the Act and Rule 19b-4(f)(6) thereunder¹⁵ in that it 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.

¹³ The Exchange notes that Phlx does not offer complex order quoting functionality.

¹⁴ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁵ 17 CFR 240.19b-4(f)(6).

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest, and does not impose any significant burden on competition as Market Makers are not required to submit quotes in the complex order book today on ISE and quotes for complex orders are not subject to any quotation requirements. Market Makers will continue to be able to submit complex orders to ISE. The Exchange believes that the proposed rule change does not impose any significant burden on competition and the rule change will not impact the intense competition that exists in the options market. Members will continue to be able to execute complex orders on ISE. The proposed changes are being made in connection with the migration of the Exchange to the INET platform.

The Exchange is proposing to implement this rule change on the INET platform as the symbols migrate to that platform. Once a symbol moves to INET, no complex quoting¹⁶ will be available for that symbol and the Exchange will specify that the allocation methodology for that symbol will be price/time. Within a year from the date of filing this rule change, the Exchange will offer complex quoting functionality on the ISE INET platform. Thereafter, Exchange may offer the complex quoting in specified symbols from time to time with notice to members. At the time the Exchange designates a symbol as available for complex quoting, it would also designate the allocation methodology for that symbol pursuant to ISE Rule 722(b)(3)(i).

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as

¹⁶ The Exchange notes that Phlx does not offer complex order quoting functionality.

designated by the Commission. The Exchange has provided such notice.

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

Not applicable.

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-2017-37)

April __, 2017

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Complex Order Quoting

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 April 26, 2017, Nasdaq ISE, 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 designate that a symbol will not be eligible for Market Maker quotes in the complex order book after the symbol migrates to Nasdaq INET technology. In addition, that symbol will trade in price/time priority.

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

Today, ISE permits Market Makers to enter quotes on certain symbols for complex strategies on the complex order book in their appointed options classes. Market Maker quotes for complex strategies are not automatically executed against bids and offers on the Exchange for the individual legs nor can they be marked for price improvement.³ Market Makers are not required to enter quotes on the Exchange's complex order book. Quotes for complex orders are not subject to any quotation requirements that are applicable to Market Maker quotes in the regular market for individual options series or classes, nor is any volume executed in complex orders taken into consideration when determining whether Market Makers are meeting quotation obligations applicable to market maker quotes in the regular market for individual options series.

The Exchange proposes to designate that a symbol will not be eligible for Market Maker quotes in the complex order book after the symbol migrates to the INET platform.

³ See Supplementary Material .03 to Rule 722.

Specifically, the Exchange filed a proposal to begin the system migration to Nasdaq INET in Q2 of 2017.⁴ The migration to INET will be on a symbol by symbol basis as specified by the Exchange in a notice to Members.⁵ The Exchange is proposing to implement this rule change on the INET platform as the symbols migrate to that platform. Once a symbol moves to INET no complex quoting⁶ will be available for that symbol and the symbol will be allocated in price/time priority.

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.⁷

The Exchange is staging the re-platform to provide maximum benefit to its Members while also ensuring a successful rollout. As symbols migrate to the INET functionality, the symbols that are currently enabled for Market Maker Quotes will become ineligible for complex quoting. This will provide the Exchange additional time to test and implement this functionality on the INET platform. The Exchange will issue

⁴ See Securities Exchange Act Release No. 80432 (April 11, 2017), 82 FR 18191 (April 17, 2017) (SR-ISE-2017-03) (Order Approving Proposed Rule Change, as Modified by Amendment No. 1, to Amend Various Rules in Connection with a System Migration to Nasdaq INET Technology).

⁵ The Exchange will issue an Options Trader Alert prior to the migration and will specify the dates that symbols will migrate to the INET platform.

⁶ The Exchange notes that Phlx does not offer complex order quoting functionality.

⁷ See note 4 above.

an Options Trader Alert to all Members notifying them that complex order quoting functionality will no longer be available after a symbol migrates to INET.⁸

Within a year from the date of filing this rule change, the Exchange will offer complex quoting functionality on the ISE INET platform. Thereafter, Exchange may offer the complex quoting from time to time with notice to members. At the time the Exchange designates a symbol as available for complex quoting, it will also designate the allocation methodology for that symbol pursuant to ISE Rule 722(b)(3)(i).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest because the Exchange desires to rollout the complex order quoting functionality at a later date to allow additional time to rebuild this technology on the new platform.

Not offering the Market Maker quotes in the complex order book with the symbol migration to INET, will allow the Exchange additional time to test and implement this functionality. The Exchange will provide Members with ample notice of the turn-off of this functionality in an Options Trader Alert. The Exchange will continue to provide

⁸ Even though the complex quoting functionality will not be available, Market Makers will still be able to submit complex orders.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

notification to Members to ensure clarity about the availability of this functionality with the symbol migration.

The Exchange is proposing to implement this rule change on the INET platform as the symbols migrate to that platform. Once a symbol moves to INET, no complex quoting¹¹ will be available for that symbol and the Exchange will specify that the allocation methodology for that symbol will be price/time. Within a year from the date of filing this rule change, the Exchange will offer complex quoting functionality on the ISE INET platform. Thereafter, the Exchange may offer the complex quoting for specified symbols from time to time with notice to members. At the time the Exchange designates a symbol as available for complex quoting, it will also designate the allocation methodology for that symbols pursuant to ISE Rule 722(b)(3)(i).

Even though the complex quoting functionality will not be available, Market Makers will still be able to submit complex orders. The Exchange does not anticipate any significant impact with respect to execution quality. The Exchange notes that Phlx does not offer complex order quoting functionality.¹²

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impact the intense competition that exists in the options market. Members will be able to continue to submit complex orders on ISE; however Market Maker quotes in the complex order

¹¹ The Exchange notes that Phlx does not offer complex order quoting functionality.

¹² See Phlx Rule 1098.

book will not be available after a symbol migrates to INET. The Exchange does not believe that the proposed rule change will impose any burden on intra-market competition because all Members uniformly will not be able to submit Market Maker quotes in the complex order book.

The Exchange is proposing to implement this rule change on the INET platform as the symbols migrate to that platform. Once a symbol moves to INET, no complex quoting¹³ will be available for that symbol and the Exchange will specify the allocation methodology for that symbol as price/time. Within a year from the date of filing this rule change, the Exchange will offer complex quoting functionality on the ISE INET platform. Thereafter, the Exchange may offer the complex quoting for specified symbols from time to time with notice to members. At the time the Exchange designates a symbol as available for complex quoting, it will also designate the allocation methodology for that symbol pursuant to ISE Rule 722(b)(3)(i).

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

No written comments were either solicited or received.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant

¹³ The Exchange notes that Phlx does not offer complex order quoting functionality.

to Section 19(b)(3)(A)(iii) of the Act¹⁴ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁵

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-ISE-2017-37 on the subject line.

¹⁴ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁵ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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-2017-37. 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-2017-37 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.¹⁶

Robert W. Errett
Deputy Secretary

¹⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Underlining indicates additions; [brackets] indicate deletions.

**NASDAQ ISE, LLC
RULES**

* * * * *

Rule 722. Complex Orders

(a) and (b) No change.

Supplementary Material to Rule 722

.01 and **.02** No change.

.03 *Market Maker Quotes.*

ISE will migrate symbols to the INET platform pursuant to a symbol migration commencing in the second quarter of 2017. After a symbol migrates to the INET platform, the symbol will not be eligible for Market Maker Quotes in the complex order book, as provided in Supplementary Material .03 to Rule 722, and that symbol will trade in price/time priority. The Exchange will specify the symbol migration schedule in an Options Trader Alert to be issued by the Exchange. Within a year from the date of filing of this rule change, the Exchange will offer complex quoting functionality on the ISE INET platform. Thereafter, the Exchange may offer the complex quoting from time to time with notice to members. At the time the Exchange designates a symbol as available for complex quoting, it will also designate the allocation methodology for that symbol pursuant to ISE Rule 722(b)(3)(i).

Market makers may enter quotes for complex order strategies on the complex order book in their appointed options classes. Market Maker quotes for complex order strategies are executed in the same manner as orders as provided in paragraph (b)(3)(i) above, but will not be automatically executed against bids and offers on the Exchange for the individual legs as provided in paragraph (b)(3)(ii) nor can they be marked for price improvement as provided in paragraph (b)(3)(iii). Market makers are not required to enter quotes on the complex order book. Quotes for complex orders are not subject to any quotation requirements that are applicable to market maker quotes in the regular market for individual options series or classes, nor is any volume executed in complex orders taken into consideration when determining whether market makers are meeting quotation obligations applicable to market maker quotes in the regular market for individual options series.

.04 - .07 No change.

* * * * *