

Required fields are shown with yellow backgrounds and asterisks.

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 *).

A proposed rule change to delay the implementation of QCC with Stock Order functionality with the migration to Nasdaq INET.

Contact Information

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

First Name * Adrian	Last Name * Griffiths
Title * Sr. Associate General Counsel	
E-mail * adrian.griffiths@nasdaq.com	
Telephone * (212) 231-5176	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 05/08/2017	Executive Vice President and General Counsel
By Edward S.Knight	
(Name *)	

edward.knight@nasdaq.com

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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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 *

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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 being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

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

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

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

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Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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

Partial Amendment

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

1. Text of the Proposed Rule Change

(a) Nasdaq ISE, LLC (“ISE Gemini” 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 proposed rule change to delay the implementation of QCC with Stock Order functionality with the migration to Nasdaq INET.

The Exchange requests that the Commission waive the 30-day operative delay period contained in Exchange Act Rule 19b-4(f)(6)(iii).³

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:

Adrian Griffiths
Senior Associate General Counsel
Nasdaq, Inc.
212-231-5176

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6)(iii).

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

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

a. Purpose

The purpose of the proposed rule change is to delay the implementation of QCC with Stock Order functionality offered to members on a voluntary basis. QCC with Stock Orders will be temporarily unavailable in symbols that have migrated to the INET architecture as this functionality will be introduced later in the launch of the INET trading system. The QCC with Stock Order is a piece of functionality that facilitates the execution of the stock component of qualified contingent trades in connection with the execution of a Qualified Contingent Cross (“QCC”) Order on the Exchange. Specifically, a QCC with Stock Order is defined as a QCC Order⁴ entered with a stock component to be communicated to a designated broker-dealer for execution pursuant to Rule 721(c).⁵

Rule 721(c) and the Supplementary Material thereto describe how the stock component of QCC with Stock Orders are executed. Since QCC Orders represent one component of a qualified contingent trade, each QCC Order must be paired with a stock transaction. When a member enters a QCC Order, the member is responsible for executing the associated stock component of the qualified contingent trade within a

⁴ A QCC Order is comprised of an originating order to buy or sell at least 1000 contracts that is identified as being part of a qualified contingent trade, coupled with a contra-side order or orders totaling an equal number of contracts. See Rule 715(j).

⁵ See Rule 715(t).

reasonable period of time after the QCC Order is executed. QCC with Stock Order functionality is a voluntary piece of functionality that provides members with an automated means of executing the stock component of a qualified contingent trade. Specifically, when a member enters a QCC with Stock Order, a QCC Order is entered on the Exchange. That QCC Order is automatically executed upon entry provided that the conditions of Rule 721(b) are met. If the QCC Order is executed, the Exchange will automatically communicate the stock component to the member's designated broker-dealer for execution. Currently, members that execute the options component of a qualified contingent trade entered as a QCC with Stock Order remain responsible for the execution of the stock component if they do not receive an execution from their designated broker-dealer. Although QCC Orders are eligible for automatic execution, it is possible that the QCC Order may not be executable based on market prices at the time the order is entered. If the QCC Order is not capable of being executed, the entire QCC with Stock Order, including both the stock and options components, is cancelled.

QCC with Stock Order functionality will not initially be available on INET for symbols that have been migrated to that platform. In conjunction with the upcoming migration to INET, the Exchange proposes to temporarily suspend the availability of QCC with Stock Order functionality provided under Rule 721(c) and the Supplementary Material to Rule 721 until a date to be announced by the Exchange via an Options Trader Alert, which date shall occur prior to August 1, 2017. QCC with Stock Orders in symbols that have migrated to INET will be rejected until such time as that functionality is introduced on INET. Specifically, the Exchange has filed and received approval for a

proposed rule change to begin the system migration to INET in Q2 of 2017.⁶ The migration to INET will be on a symbol-by-symbol basis as will be communicated by the Exchange in a notice to Members.⁷ The Exchange proposes to implement QCC with Stock Order functionality on the INET platform during the INET symbol migration. Once QCC with Stock Order functionality is launched on INET, members may utilize this functionality for symbols as they migrate to INET. The Exchange will announce a date, via an Options Trader Alert, when the functionality will be available. At that time, all symbols that have migrated to INET as of that date will be able to utilize the QCC with Stock Order functionality. All other symbols that migrate after that date, if any, would be able to utilize the QCC with Stock Order functionality as they migrate. The QCC with Stock Order functionality will continue to be available on the legacy ISE system until the symbols migrate to INET.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ in

⁶ 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).

⁷ 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. The Exchange is staging the re-platform to provide maximum benefit to its Members while also ensuring a successful rollout. 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.

⁸ 15 U.S.C. 78f(b).

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. Specifically, the Exchange believes that the proposed rule change is consistent with the protection of investors and the public interest because QCC with Stock Order functionality is currently offered to members on a voluntary basis to assist in their execution of qualified contingent trades. Furthermore, members that execute the options component of a Qualified Contingent Trade entered as a QCC with Stock Order remain responsible for the execution of the stock component if they do not receive an execution from their designated broker-dealer. There is no requirement that members utilize QCC with Stock functionality, and members will continue to be able to enter regular QCC Orders where the exchange does not assist with the execution of the stock component of the trade and the members do so themselves. Specifically, Members would remain able to execute QCC Orders on the INET platform prior to QCC with Stock functionality being turned back on, provided that the member would be responsible for executing the associated stock component of the qualified contingent trade within a reasonable period of time after the QCC Order is executed. Furthermore, the Exchange will continue to offer the QCC with Stock Order functionality on the legacy ISE system until such time as each symbol migrates to INET. The Exchange intends to introduce QCC with Stock Order functionality on INET during the symbol migration, and prior to the rollout of the majority of symbols on INET. Based on the Exchange's anticipated symbol rollout, the affected symbols will not include symbols where members typically enter a significant

⁹ 15 U.S.C. 78f(b)(5).

volume of QCC with Stock Orders.¹⁰ The Exchange also notes that it has issued an Options trader Alert providing Members notice of its proposal to delay the QCC with Stock Order functionality during the initial launch of the INET technology until such time as the Exchange announces the availability of the QCC with Stock Order functionality.¹¹ The Exchange intends to make clear the implementation timeline of this functionality within its rulebook.

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. No market participant would be able to submit a QCC with Stock Order on INET until such time as the Exchange turns back on the functionality with notice to members. The Exchange believes that notwithstanding the delay of this functionality, ISE will continue to remain a competitive with other options markets. Moreover, Members will still be able to execute QCC Orders on the Exchange using other means to ensure the execution of the stock component of those qualified contingent trades.

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.

¹⁰ Of the 3172 symbols listed on ISE, the Exchange anticipates rolling out approximately 151 symbols prior to introducing QCC with Stock Order functionality on INET.

¹¹ See Options Trader Alert # 2017-32.

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)¹² of the Act and Rule 19b-4(f)(6) thereunder¹³ 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. The Exchange believes that this proposed rule change will not significantly affect the protection of investors or the public interest, and will not impose a significant burden on competition, because it provides for only a limited delay of this functionality. The Exchange will issue an Options Trader Alert communicating the launch of QCC with Stock Orders on INET prior to August 1, 2017, and based on the Exchange's anticipated symbol rollout, the affected symbols will not include symbols where members typically enter a significant volume of QCC with Stock Orders.¹⁴ In addition, the Exchange will continue to accept regular QCC Orders where the member is responsible for executing the stock component of the transaction without using the Exchange to electronic communicate this component of the trade to a broker dealer for execution. Thus, members will continue to be able to execute their qualified contingent trades, notwithstanding the delay of this functionality.

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give

¹² 15 U.S.C. 78s(b)(3)(A)(iii).

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ See supra note 10 and accompanying text.

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 designated by the Commission. The Exchange has satisfied this requirement.

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. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) and permit the Exchange to delay the implementation of QCC Stock Order functionality so that it may launch the new INET system on the schedule previously announced to members. Delaying the launch at this late date would harm members that have planned for and relied upon this date by testing and other preparations. The Exchange believes granting this waiver will impose little or no cost on members. In connection with this proposed rule change, the Exchange conducted a 5 month look back, and will introduce symbols that have a higher volume of QCC with Stock Orders later in its INET rollout to reduce impact to members. Granting the waiver will have limited impact because of the symbol rollout. The initial rollout will be for symbols that are not very liquid, and the Exchange believes that Members will have an opportunity to become accustomed to this change in functionality with the symbol rollout onto INET. More liquid symbols will begin to migrate to INET in the third week and thereafter. This staged migration to the new INET platform will provide Members with a transition period with respect to functionality delayed on INET. Notice was provided on April 28, 2017, and the Exchange believes that members will have adequate time to absorb the system change as they transition to the new trading platform.

The Exchange will continue to provide notifications to Members to ensure clarity about the availability of this functionality.

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-2017-44)

May __, 2017

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to delay the implementation of QCC with Stock Order functionality

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 May 8, 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 delay the implementation of QCC with Stock Order functionality with the migration to Nasdaq INET.

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 the proposed rule change is to delay the implementation of QCC with Stock Order functionality offered to members on a voluntary basis. QCC with Stock Orders will be temporarily unavailable in symbols that have migrated to the INET architecture as this functionality will be introduced later in the launch of the INET trading system. The QCC with Stock Order is a piece of functionality that facilitates the execution of the stock component of qualified contingent trades in connection with the execution of a Qualified Contingent Cross ("QCC") Order on the Exchange. Specifically, a QCC with Stock Order is defined as a QCC Order³ entered with a stock component to be communicated to a designated broker-dealer for execution pursuant to Rule 721(c).⁴

³ A QCC Order is comprised of an originating order to buy or sell at least 1000 contracts that is identified as being part of a qualified contingent trade, coupled with a contra-side order or orders totaling an equal number of contracts. See Rule 715(j).

⁴ See Rule 715(t).

Rule 721(c) and the Supplementary Material thereto describe how the stock component of QCC with Stock Orders are executed. Since QCC Orders represent one component of a qualified contingent trade, each QCC Order must be paired with a stock transaction. When a member enters a QCC Order, the member is responsible for executing the associated stock component of the qualified contingent trade within a reasonable period of time after the QCC Order is executed. QCC with Stock Order functionality is a voluntary piece of functionality that provides members with an automated means of executing the stock component of a qualified contingent trade. Specifically, when a member enters a QCC with Stock Order, a QCC Order is entered on the Exchange. That QCC Order is automatically executed upon entry provided that the conditions of Rule 721(b) are met. If the QCC Order is executed, the Exchange will automatically communicate the stock component to the member's designated broker-dealer for execution. Currently, members that execute the options component of a qualified contingent trade entered as a QCC with Stock Order remain responsible for the execution of the stock component if they do not receive an execution from their designated broker-dealer. Although QCC Orders are eligible for automatic execution, it is possible that the QCC Order may not be executable based on market prices at the time the order is entered. If the QCC Order is not capable of being executed, the entire QCC with Stock Order, including both the stock and options components, is cancelled.

QCC with Stock Order functionality will not initially be available on INET for symbols that have been migrated to that platform. In conjunction with the upcoming migration to INET, the Exchange proposes to temporarily suspend the availability of QCC with Stock Order functionality provided under Rule 721(c) and the Supplementary

Material to Rule 721 until a date to be announced by the Exchange via an Options Trader Alert, which date shall occur prior to August 1, 2017. QCC with Stock Orders in symbols that have migrated to INET will be rejected until such time as that functionality is introduced on INET. Specifically, the Exchange has filed and received approval for a proposed rule change to begin the system migration to INET in Q2 of 2017.⁵ The migration to INET will be on a symbol-by-symbol basis as will be communicated by the Exchange in a notice to Members.⁶ The Exchange proposes to implement QCC with Stock Order functionality on the INET platform during the INET symbol migration. Once QCC with Stock Order functionality is launched on INET, members may utilize this functionality for symbols as they migrate to INET. The Exchange will announce a date, via an Options Trader Alert, when the functionality will be available. At that time, all symbols that have migrated to INET as of that date will be able to utilize the QCC with Stock Order functionality. All other symbols that migrate after that date, if any, would be able to utilize the QCC with Stock Order functionality as they migrate. The QCC with

⁵ 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).

⁶ 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. The Exchange is staging the re-platform to provide maximum benefit to its Members while also ensuring a successful rollout. 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.

Stock Order functionality will continue to be available on the legacy ISE system until the symbols migrate to INET.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁸ 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. Specifically, the Exchange believes that the proposed rule change is consistent with the protection of investors and the public interest because QCC with Stock Order functionality is currently offered to members on a voluntary basis to assist in their execution of qualified contingent trades. Furthermore, members that execute the options component of a Qualified Contingent Trade entered as a QCC with Stock Order remain responsible for the execution of the stock component if they do not receive an execution from their designated broker-dealer. There is no requirement that members utilize QCC with Stock functionality, and members will continue to be able to enter regular QCC Orders where the exchange does not assist with the execution of the stock component of the trade and the members do so themselves. Specifically, Members would remain able to execute QCC Orders on the INET platform prior to QCC with Stock functionality being turned back on, provided that the member would be responsible for executing the associated stock component of the qualified contingent trade within a reasonable period

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

of time after the QCC Order is executed. Furthermore, the Exchange will continue to offer the QCC with Stock Order functionality on the legacy ISE system until such time as each symbol migrates to INET. The Exchange intends to introduce QCC with Stock Order functionality on INET during the symbol migration, and prior to the rollout of the majority of symbols on INET. Based on the Exchange's anticipated symbol rollout, the affected symbols will not include symbols where members typically enter a significant volume of QCC with Stock Orders.⁹ The Exchange also notes that it has issued an Options trader Alert providing Members notice of its proposal to delay the QCC with Stock Order functionality during the initial launch of the INET technology until such time as the Exchange announces the availability of the QCC with Stock Order functionality.¹⁰ The Exchange intends to make clear the implementation timeline of this functionality within its rulebook.

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. No market participant would be able to submit a QCC with Stock Order on INET until such time as the Exchange turns back on the functionality with notice to members. The Exchange believes that notwithstanding the delay of this functionality, ISE will continue to remain a competitive with other options markets. Moreover, Members will

⁹ Of the 3172 symbols listed on ISE, the Exchange anticipates rolling out approximately 151 symbols prior to introducing QCC with Stock Order functionality on INET.

¹⁰ See Options Trader Alert # 2017-32.

still be able to execute QCC Orders on the Exchange using other means to ensure the execution of the stock component of those qualified contingent trades.

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 to Section 19(b)(3)(A)(iii) of the Act¹¹ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹²

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.

¹¹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹² 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.

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-2017-44 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-2017-44. 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-2017-44 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.¹³

Robert W. Errett
Deputy Secretary

¹³ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined.

**NASDAQ ISE, LLC
RULES**

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Rule 721. Crossing Orders

ISE will migrate symbols to the INET platform pursuant to a symbol migration commencing in the second quarter of 2017. For symbols that have migrated to the INET platform, the functionality provided under ISE Rule 721(c) and the Supplementary Material thereto, permitting QCC with Stock Orders, will be temporarily suspended. The Exchange will specify the symbol migration schedule in an Options Trader Alert to be issued by the Exchange. The Exchange will recommence offering QCC with Stock Orders by announcing a date of implementation in a separate Options Trader Alert which will be issued prior to August 1, 2017. For symbols that have migrated to INET, QCC with Stock Orders will be rejected until the Exchange has recommenced this offering.

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(c) QCC with Stock Orders are processed as follows:

(1) When a member enters a QCC with Stock Order, a Qualified Contingent Cross Order is entered on the Exchange pursuant to Rule 721(b).

(2) If the Qualified Contingent Cross Order is executed, the Exchange will automatically communicate the stock component to the member's designated broker-dealer for execution.

(3) If the Qualified Contingent Cross Order cannot be executed, the entire QCC with Stock Order, including both the stock and options components, is cancelled.

Supplementary Material to Rule 721

.01 QCC with Stock Orders can be entered with separate prices for the stock and options components, or with a net price for both.

.02 QCC with Stock Orders are available to members on a voluntary basis. Members that enter QCC with Stock Orders must enter into a brokerage agreement with one or more broker-dealers designated by the Exchange. The member must designate a specific broker-dealer on each order if the member has entered into an agreement with more than one. The Exchange will have no financial arrangements with the designated broker-dealers with respect to communicating stock orders to them.

.03 Members that execute the options component of a qualified contingent trade entered as a QCC with Stock Order remain responsible for the execution of the stock component if they do not receive an execution from their designated broker-dealer.

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