

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * 21   | SECURITIES AND EXCHANGE COMMISSION<br>WASHINGTON, D.C. 20549<br>Form 19b-4      |  | File No.* SR - 2017 - * 69   | Amendment No. (req. for Amendments *)                        |   |
| Filing by Nasdaq ISE, LLC<br>Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934  |   |  |  |  |   |
| Initial *<br><input checked="" type="checkbox"/>   | Amendment *<br><input type="checkbox"/>   | Withdrawal<br><input type="checkbox"/>                       | Section 19(b)(2) *<br><input type="checkbox"/>   | Section 19(b)(3)(A) *<br><input checked="" type="checkbox"/> | Section 19(b)(3)(B) *<br><input type="checkbox"/> |
| Pilot<br><input type="checkbox"/>  | Extension of Time Period<br>for Commission Action *<br><input type="checkbox"/> | Date Expires *<br><input type="text"/>                       | Rule<br><input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4)<br><input checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5)<br><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<br>Section 806(e)(1) *<br><input type="checkbox"/>   |   |  | Security-Based Swap Submission pursuant<br>to the Securities Exchange Act of 1934<br>Section 3C(b)(2) *<br><input type="checkbox"/>  |  |   |
| Exhibit 2 Sent As Paper Document<br><input type="checkbox"/>   |   | Exhibit 3 Sent As Paper Document<br><input type="checkbox"/> |  |  |   |
| <b>Description</b><br>Provide a brief description of the action (limit 250 characters, required when Initial is checked *).<br><br>Amend the Schedule of Fees in Connection with the ISE System Migration  |   |  |  |  |   |
| <b>Contact Information</b><br>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.<br><br>First Name * Angela Last Name * Dunn<br>Title * Principal Associate General Counsel<br>E-mail * angela.dunn@nasdaq.com<br>Telephone * (215) 496-5692 Fax <input type="text"/>  |   |  |  |  |   |
| <b>Signature</b><br>Pursuant to the requirements of the Securities Exchange Act of 1934,<br><br>has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.<br>(Title *)<br><br>Date 07/03/2017<br>By Edward S. Knight<br>(Name *)<br>Executive Vice-President and General Counsel<br><br>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.<br><br>edward.knight@nasdaq.com |   |  |  |  |   |

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” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend the Schedule of Fees to indicate the treatment of various symbols which are migrating to INET technology in July 2017.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The 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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 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

The purpose of the proposed rule change is to amend the Schedule of Fees to: (1) exclude certain Select Symbols<sup>3</sup> which will migrate to INET from July 3<sup>rd</sup> through July 30<sup>th</sup> 2017 from the Market Maker Plus<sup>4</sup> Tiers for the month of July 2017; and (2) exclude certain activity for certain Select Symbols which will migrate to INET on July 31, 2017 from the Market Maker Plus Tiers for the month of July 2017. Each rule change will be described in greater detail below.

These rule changes are being made in connection with the migration of the Exchange's trading system to the Nasdaq INET technology, which began on June 12, 2017.<sup>5</sup> On June 9, 2017, the Exchange filed a proposed rule change that eliminated fees and rebates for trades in FX Options that began trading on INET with the launch of the

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<sup>3</sup> "Select Symbols" are options overlying all symbols listed on ISE that are in the Penny Pilot Program.

<sup>4</sup> A Market Maker Plus is a Market Maker who is on the National Best Bid or National Best Offer a specified percentage of the time for series trading between \$0.03 and \$3.00 (for options whose underlying stock's previous trading day's last sale price was less than or equal to \$100) and between \$0.10 and \$3.00 (for options whose underlying stock's previous trading day's last sale price was greater than \$100) in premium in each of the front two expiration months. The specified percentage is at least 80% but lower than 85% of the time for Tier 1, at least 85% but lower than 95% of the time for Tier 2, and at least 95% of the time for Tier 3. A Market Maker's single best and single worst quoting days each month based on the front two expiration months, on a per symbol basis, will be excluded in calculating whether a Market Maker qualifies for this rebate, if doing so will qualify a Market Maker for the rebate.

<sup>5</sup> See Securities Exchange Act Release No. 80432 (April 11, 2017), 82 FR 18191 (April 17, 2017) (SR-ISE-2017-03). See also Options Trader Alert 2017-51.

re-platformed trading system.<sup>6</sup> In addition, on June 27, 2017 the Exchange filed another proposed rule change that eliminated fees and rebates for trades in symbol KANG that began trading on INET on that date.<sup>7</sup> The Exchange recently filed a proposed rule change that eliminated fees and rebates for trades executed on June 30, 2017 in the following symbols: ACN, ACOR, AEO, AFSI, AMJ, AOBC, BKD, BTE, BV, CBI, CCL, CLR, CME, CNQ, ADM, ADSK, AGNC, ASHR, BBT, BK, BSX, CIEN, and IBM.<sup>8</sup> Additionally, that rule change also proposed that activity in the following Select Symbols will not be counted for purposes of determining Market Maker Plus tiers: ADM, ADSK, AGNC, ASHR, BBT, BK, BSX, CIEN, and IBM.<sup>9</sup>

#### Current Proposal – Number 1

The Exchange proposes that Select Symbols which will migrate to INET from July 3<sup>rd</sup> through July 30<sup>th</sup> 2017, as noticed by the Exchange in Options Trader Alert #2017-51<sup>10</sup> (“Migrated Symbols”) will not be subject to Market Maker Plus Tiers 1-3 for the month of July 2017. These Migrated Symbols will be subject to Market Maker Plus Tiers 1-3 as of August 1, 2017 and thereafter.

During the transition symbols will migrate from the legacy T7 system to the INET system. The two systems utilize different billing systems. For ease of transition and to ensure that Members are not impacted by the transition to a new billing system, the

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<sup>6</sup> See Securities Exchange Act Release No. 80999 (June 22, 2017) 82 FR 29354 (June 28, 2017) (SR-ISE-2017-59).

<sup>7</sup> See SR-ISE-2017-63 (publication pending).

<sup>8</sup> See SR-ISE-2017-66 (publication pending).

<sup>9</sup> Id.

<sup>10</sup> This alert contains a link to the specific symbols that migrate on each date.

Exchange is proposing to simply not apply the Market Maker Plus Tiers to the symbols which will be transitioning from July 3<sup>rd</sup> through July 30<sup>th</sup> 2017 for the month of July 2017. In August 2017, the Migrated Symbols will all be subject to the INET billing system and therefore the Exchange would begin applying the Market Maker Plus Tiers at that time.

#### Current Proposal – Number 2

The Exchange proposes to exclude Select Symbols which will migrate to INET on July 31, 2017, as noticed by the Exchange at Options Trader Alert #2017-51 (“July 31 Migrated Symbols”) and only include activity from July 3, 2017 through July 30, 2017 for purposes of qualifying for the Market Maker Plus Tiers for the month of July 2017.

As noted above, since the July 31 Migrated Symbols will migrate from the legacy T7 system to the INET system and utilize two different billing systems the Exchange proposes this exclusion. The Exchange believes that the exclusion will provide ease of transition and ensure that Members are not impacted by the transition to a new billing system. In August 2017, the July 31 Migrated Symbols will be subject to the INET billing system and therefore the Exchange would begin applying the Market Maker Plus Tiers at that time for the entire month of August 2017.

#### b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>11</sup> in general, and Section 6(b)(4) of the Act,<sup>12</sup> in

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<sup>11</sup> 15 U.S.C. 78f.

<sup>12</sup> 15 U.S.C. 78f(b)(4).

particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

#### Current Proposal – Number 1

The Exchange's proposal that Migrated Symbols will not be subject to Market Maker Plus Tiers 1-3 for the month of July 2017 is reasonable because the Exchange will utilize two billing systems with the migration from legacy T7 to INET. For ease of transition and to ensure that Members are not impacted by the transition to a new billing system, the Exchange believes it is reasonable to not apply the Market Maker Plus Tiers to the symbols which will be transitioning from July 3<sup>rd</sup> through July 30<sup>th</sup> 2017 for the month of July 2017. The new INET system would result in higher performance, scalability, and more robust architecture for ISE Members.

The Exchange's proposal that Migrated Symbols will not be subject to Market Maker Plus Tiers 1-3 for the month of July 2017 is equitable and not unfairly discriminatory as it will apply to all transactions in Migrated Symbols on INET.

#### Current Proposal – Number 2

The Exchange's proposal that July 31 Migrated Symbols will only include activity from July 3, 2017 through July 30, 2017 for purposes of qualifying for the Market Maker Plus Tiers for the month of July 2017 is reasonable because the Exchange will utilize two billing systems with the migration from legacy T7 to INET. For ease of transition and to ensure that Members are not impacted by the transition to a new billing system, the Exchange believes it is reasonable to exclude the July 31, 2017 trading activity from the Market Maker Plus Tiers for the July 31 Migrated Symbols and only apply activity from July 3<sup>rd</sup> through July 30<sup>th</sup> 2017 for purposes of qualifying for the

Market Maker Plus Tiers for the month of July 2017. The new INET system would result in higher performance, scalability, and more robust architecture for ISE Members.

The Exchange's proposal to exclude activity for July 31, 2017 for the July 31 Migrated Symbols qualification for July 2017 and only include activity from July 3, 2017 through July 30, 2017 for purposes of qualifying for the Market Maker Plus Tiers for the month of July 2017 is equitable and not unfairly discriminatory as it will apply to all transactions in July 31 Migrated Symbols on INET.

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

In accordance with Section 6(b)(8) of the Act,<sup>13</sup> the Exchange does not believe that the proposed rule changes will impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed changes are intended to ease members' transition to the re-platformed INET trading system and is not designed to have any significant competitive impact. The proposed changes will apply to all transactions in both the Migrated Symbols and the July 31 Migrated Symbols. The Exchange operates in a highly competitive market in which market participants can readily direct their order flow to competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed fee changes reflect this competitive environment.

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<sup>13</sup> 15 U.S.C. 78f(b)(8).



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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

6. Extension of Time Period for Commission Action

Not applicable.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>14</sup> the Exchange has designated this proposal as establishing or changing a due, fee or other charge imposed on any person, whether or not the person is a member of a self-regulatory organization, which renders the proposed rule change effective upon filing.

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

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

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

Not applicable.

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<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

11. Exhibits
  1. Notice of Proposed Rule Change 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-2017-69)

July \_\_, 2017

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Schedule of Fees in Connection with the ISE System Migration

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup>, and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 3, 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 amend the Schedule of Fees to indicate the treatment of various symbols which are migrating to INET technology in July 2017.

The text of the proposed rule change is available on the Exchange’s Website at [www.ise.com](http://www.ise.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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 amend the Schedule of Fees to: (1) exclude certain Select Symbols<sup>3</sup> which will migrate to INET from July 3<sup>rd</sup> through July 30<sup>th</sup> 2017 from the Market Maker Plus<sup>4</sup> Tiers for the month of July 2017; and (2) exclude certain activity for certain Select Symbols which will migrate to INET on July 31, 2017 from the Market Maker Plus Tiers for the month of July 2017. Each rule change will be described in greater detail below.

These rule changes are being made in connection with the migration of the Exchange's trading system to the Nasdaq INET technology, which began on June 12,

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<sup>3</sup> "Select Symbols" are options overlying all symbols listed on ISE that are in the Penny Pilot Program.

<sup>4</sup> A Market Maker Plus is a Market Maker who is on the National Best Bid or National Best Offer a specified percentage of the time for series trading between \$0.03 and \$3.00 (for options whose underlying stock's previous trading day's last sale price was less than or equal to \$100) and between \$0.10 and \$3.00 (for options whose underlying stock's previous trading day's last sale price was greater than \$100) in premium in each of the front two expiration months. The specified percentage is at least 80% but lower than 85% of the time for Tier 1, at least 85% but lower than 95% of the time for Tier 2, and at least 95% of the time for Tier 3. A Market Maker's single best and single worst quoting days each month based on the front two expiration months, on a per symbol basis, will be excluded in calculating whether a Market Maker qualifies for this rebate, if doing so will qualify a Market Maker for the rebate.

2017.<sup>5</sup> On June 9, 2017, the Exchange filed a proposed rule change that eliminated fees and rebates for trades in FX Options that began trading on INET with the launch of the re-platformed trading system.<sup>6</sup> In addition, on June 27, 2017 the Exchange filed another proposed rule change that eliminated fees and rebates for trades in symbol KANG that began trading on INET on that date.<sup>7</sup> The Exchange recently filed a proposed rule change that eliminated fees and rebates for trades executed on June 30, 2017 in the following symbols: ACN, ACOR, AEO, AFSI, AMJ, AOBC, BKD, BTE, BV, CBI, CCL, CLR, CME, CNQ, ADM, ADSK, AGNC, ASHR, BBT, BK, BSX, CIEN, and IBM.<sup>8</sup> Additionally, that rule change also proposed that activity in the following Select Symbols will not be counted for purposes of determining Market Maker Plus tiers: ADM, ADSK, AGNC, ASHR, BBT, BK, BSX, CIEN, and IBM.<sup>9</sup>

#### Current Proposal – Number 1

The Exchange proposes that Select Symbols which will migrate to INET from July 3<sup>rd</sup> through July 30<sup>th</sup> 2017, as noticed by the Exchange in Options Trader Alert #2017-51<sup>10</sup> (“Migrated Symbols”) will not be subject to Market Maker Plus Tiers 1-3 for

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<sup>5</sup> See Securities Exchange Act Release No. 80432 (April 11, 2017), 82 FR 18191 (April 17, 2017) (SR-ISE-2017-03). See also Options Trader Alert 2017-51.

<sup>6</sup> See Securities Exchange Act Release No. 80999 (June 22, 2017) 82 FR 29354 (June 28, 2017) (SR-ISE-2017-59).

<sup>7</sup> See SR-ISE-2017-63 (publication pending).

<sup>8</sup> See SR-ISE-2017-66 (publication pending).

<sup>9</sup> Id.

<sup>10</sup> This alert contains a link to the specific symbols that migrate on each date.

the month of July 2017. These Migrated Symbols will be subject to Market Maker Plus Tiers 1-3 as of August 1, 2017 and thereafter.

During the transition symbols will migrate from the legacy T7 system to the INET system. The two systems utilize different billing systems. For ease of transition and to ensure that Members are not impacted by the transition to a new billing system, the Exchange is proposing to simply not apply the Market Maker Plus Tiers to the symbols which will be transitioning from July 3<sup>rd</sup> through July 30<sup>th</sup> 2017 for the month of July 2017. In August 2017, the Migrated Symbols will all be subject to the INET billing system and therefore the Exchange would begin applying the Market Maker Plus Tiers at that time.

#### Current Proposal – Number 2

The Exchange proposes to exclude Select Symbols which will migrate to INET on July 31, 2017, as noticed by the Exchange at Options Trader Alert #2017-51 (“July 31 Migrated Symbols”) and only include activity from July 3, 2017 through July 30, 2017 for purposes of qualifying for the Market Maker Plus Tiers for the month of July 2017.

As noted above, since the July 31 Migrated Symbols will migrate from the legacy T7 system to the INET system and utilize two different billing systems the Exchange proposes this exclusion. The Exchange believes that the exclusion will provide ease of transition and ensure that Members are not impacted by the transition to a new billing system. In August 2017, the July 31 Migrated Symbols will be subject to the INET billing system and therefore the Exchange would begin applying the Market Maker Plus Tiers at that time for the entire month of August 2017.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>11</sup> in general, and Section 6(b)(4) of the Act,<sup>12</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

### Current Proposal – Number 1

The Exchange's proposal that Migrated Symbols will not be subject to Market Maker Plus Tiers 1-3 for the month of July 2017 is reasonable because the Exchange will utilize two billing systems with the migration from legacy T7 to INET. For ease of transition and to ensure that Members are not impacted by the transition to a new billing system, the Exchange believes it is reasonable to not apply the Market Maker Plus Tiers to the symbols which will be transitioning from July 3<sup>rd</sup> through July 30<sup>th</sup> 2017 for the month of July 2017. The new INET system would result in higher performance, scalability, and more robust architecture for ISE Members.

The Exchange's proposal that Migrated Symbols will not be subject to Market Maker Plus Tiers 1-3 for the month of July 2017 is equitable and not unfairly discriminatory as it will apply to all transactions in Migrated Symbols on INET.

### Current Proposal – Number 2

The Exchange's proposal that July 31 Migrated Symbols will only include activity from July 3, 2017 through July 30, 2017 for purposes of qualifying for the Market Maker Plus Tiers for the month of July 2017 is reasonable because the Exchange will utilize two billing systems with the migration from legacy T7 to INET. For ease of

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<sup>11</sup> 15 U.S.C. 78f.

<sup>12</sup> 15 U.S.C. 78f(b)(4).

transition and to ensure that Members are not impacted by the transition to a new billing system, the Exchange believes it is reasonable to exclude the July 31, 2017 trading activity from the Market Maker Plus Tiers for the July 31 Migrated Symbols and only apply activity from July 3<sup>rd</sup> through July 30<sup>th</sup> 2017 for purposes of qualifying for the Market Maker Plus Tiers for the month of July 2017. The new INET system would result in higher performance, scalability, and more robust architecture for ISE Members.

The Exchange's proposal to exclude activity for July 31, 2017 for the July 31 Migrated Symbols qualification for July 2017 and only include activity from July 3, 2017 through July 30, 2017 for purposes of qualifying for the Market Maker Plus Tiers for the month of July 2017 is equitable and not unfairly discriminatory as it will apply to all transactions in July 31 Migrated Symbols on INET.

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

In accordance with Section 6(b)(8) of the Act,<sup>13</sup> the Exchange does not believe that the proposed rule changes will impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed changes are intended to ease members' transition to the re-platformed INET trading system and is not designed to have any significant competitive impact. The proposed changes will apply to all transactions in both the Migrated Symbols and the July 31 Migrated Symbols. The Exchange operates in a highly competitive market in which market participants can readily direct their order flow to competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed fee changes reflect this competitive environment.

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<sup>13</sup> 15 U.S.C. 78f(b)(8).



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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.<sup>14</sup> 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](mailto:rule-comments@sec.gov). Please include File Number SR-ISE-2017-69 on the subject line.

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<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

Paper comments:

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

All submissions should refer to File Number SR-ISE-2017-69. 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-2017-69 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.<sup>15</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>15</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

Deleted text is [bracketed]. New text is underlined>.

**Nasdaq ISE  
Schedule of Fees**

\* \* \* \* \*

**I. Regular Order Fees and Rebates**

\* \* \* \* \*

**Select Symbols**

| <b>Market Participant</b>                | <b>Maker Rebate / Fee</b>    | <b>Taker Fee</b> | <b>Fee for Crossing Orders Except PIM Orders (1)(2)</b> | <b>Fee for PIM Orders (1)(2)(13)</b> | <b>Fee for Responses to Crossing Orders Except PIM Orders</b> | <b>Fee for Responses to PIM Orders</b> | <b>Facilitation and Solicitation Break-up Rebate(4)</b> |
|--|------------------------------|------------------|---|--------------------------------------|---|--|---|
| Tier 1 Market Maker Plus <sup>(5)*</sup> | (\$0.15) <sup>(10)</sup>     | \$0.44           | \$0.20  | \$0.10                               | \$0.50  | \$0.20                                 | N/A   |
| Tier 2 Market Maker Plus <sup>(5)*</sup> | (\$0.18) <sup>(10)(14)</sup> | \$0.44           | \$0.20  | \$0.10                               | \$0.50  | \$0.20                                 | N/A   |
| Tier 3 Market Maker Plus <sup>(5)*</sup> | (\$0.22) <sup>(10)(15)</sup> | \$0.44           | \$0.20  | \$0.10                               | \$0.50  | \$0.20                                 | N/A   |
| Market Maker <sup>(8)</sup>              | \$0.10 <sup>(11)</sup>       | \$0.44           | \$0.20  | \$0.10                               | \$0.50  | \$0.20                                 | N/A   |
| Non-Nasdaq ISE Market Maker (FarMM)      | \$0.10 <sup>(11)</sup>       | \$0.45           | \$0.20  | \$0.10                               | \$0.50  | \$0.20                                 | (\$0.15)  |
| Firm Proprietary / Broker-Dealer         | \$0.10                       | \$0.45           | \$0.20  | \$0.10                               | \$0.50  | \$0.20                                 | (\$0.15)  |
| Professional Customer                    | \$0.10                       | \$0.45           | \$0.20 <sup>(16)</sup>                                  | \$0.10                               | \$0.50  | \$0.20                                 | (\$0.15)  |

|          |        |                       |        |        |        |        |          |
|----------|--------|-----------------------|--------|--------|--------|--------|----------|
| Priority | \$0.00 | \$0.40 <sup>(3)</sup> | \$0.00 | \$0.00 | \$0.50 | \$0.20 | (\$0.15) |
| Customer |        |                       |        |        |        |        |          |

\* Select Symbols which will migrate to INET from July 3<sup>rd</sup> through July 30<sup>th</sup> 2017 as noticed by Nasdaq ISE in Options Trader Alert #2017-51 (“Migrated Symbols”) will not be subject to Market Maker Plus Tiers 1-3 for the month of July 2017. These Migrated Symbols will be subject to Market Maker Plus Tiers 1-3 as of August 1, 2017 and thereafter. Additionally, Select Symbols which will migrate to INET on July 31, 2017 as noticed by Nasdaq ISE at Options Trader Alert #2017-51 (“July 31 Migrated Symbols”) will only use activity from July 3<sup>rd</sup> through July 30<sup>th</sup> 2017 for purposes of qualifying for Market Maker Plus Tiers 1-3 for the month of July 2017.

\* \* \* \* \*