

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 proposal to amend ISE Rules 700.

**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 \* Carla Last Name \* Behnfeldt  
 Title \* Associate General Counsel  
 E-mail \* carla.behnfeldt@nasdaq.com  
 Telephone \* (215) 496-5208 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 03/29/2018  
 By Edward S.Knight  
 (Name \*)

Executive Vice President and General Counsel

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 \***

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

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

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

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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 proposal to amend ISE Rules 700, Days and Hours of Business, at Section (c); 2008, Days and Hours of Business; and 2009, Terms of Index Option Contracts, Supplementary Material .07, Nonstandard Expirations Pilot Program.

The Exchange requests that the Commission waive the 30-day operative delay period contained in Exchange Act Rule 19b-4(f)(6)(iii), as well as the five-day prefiling period.<sup>3</sup>

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 of the Exchange (the “Board”) on September 19, 2017. 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.

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

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

<sup>3</sup> 17 CFR 240.19b-4(f)(6)(iii).

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

Carla Behnfeldt  
Associate General Counsel  
Nasdaq, Inc.  
(215) 496-5208

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

a. Purpose

The purpose of this rule filing is to establish that transactions in expiring p.m.-settled broad-based index options, including Weekly Expirations and End of Month ("EOM") options, may be effected on the Exchange only until 4:00 P.M. (Eastern Time) on the last trading day.<sup>4</sup> The terms of p.m.-settled broad-based index options specify that their exercise settlement value is based on the index value derived from the closing prices of component stocks.

Currently, ISE Rule 700(c) provides that broad-based index options may trade until 4:15 p.m. each business day. The Exchange now proposes to add language to Rule 700(c) to establish that on the last trading day transactions in expiring p.m.-settled broad-based index options may be effected on the Exchange between the hours of 9:30 a.m. (Eastern Time) and 4:00 p.m. (Eastern Time). The same new language is proposed to be added to Rules 2008, Trading Sessions, and 2009, Terms of Index Option Contracts, at Supplementary Material .07(d), Weekly Expirations and EOM Trading Hours. The

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<sup>4</sup> The listing and trading of p.m.-settled options on broad-based indexes with nonstandard expiration dates, including Weekly Expirations and EOM options, has been approved by the Commission on a pilot basis for an initial period of twelve months expiring on February 1, 2019 (the "Nonstandard Expirations Pilot Program" or "Pilot Program"). See Supplementary Material .07 of Rule 2009 and Securities Exchange Act Release No. 82612 (February 1, 2018), 83 FR 5470 (February 7, 2018) (SR-ISE-2017-111). To date, no Weekly Expirations or EOM options have been listed on the Exchange.

proposed new language is substantively identical to language in Rule 24.9(e), Weekly Expirations and EOM Trading Hours on the Last Trading Day, of the Cboe Exchange, Inc. (CBOE). The 4:00 p.m. close of trading would apply only on the last trading day of the expiring p.m.-settled options.

As CBOE explained in the proposed rule change adopting current CBOE Rule 24.9(e), Weekly Expirations and EOM options which are p.m.-settled are priced in the market based on corresponding futures values. On the last day of trading, the closing prices of the component stocks (which are used to derive the exercise settlement value) are known at 4:00 p.m. (Eastern Time) (or soon after) when the equity markets close. Despite the fact that the exercise settlement value is fixed at or soon after 4:00 p.m. (Eastern Time), if trading in expiring Weekly Expirations and EOMs were to continue for an additional fifteen minutes until 4:15 p.m. (Eastern Time) they would not be priced on corresponding futures values, but rather the known cash value. At the same time, the prices of non-expiring Weekly Expiration and EOM series would continue to move and be priced in response to changes in corresponding futures prices. Because of the potential pricing divergence that could occur between 4:00 and 4:15 p.m. on the final trading day in expiring Weekly Expirations and EOMs (e.g., switch from pricing off of futures to cash), the Exchange believes that, in order to mitigate potential investor confusion, it is appropriate to cease trading in expiring Weekly Expirations and EOMs at 4:00 p.m. on the last day of trading.<sup>5</sup>

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<sup>5</sup> See Securities Exchange Act Release No. 64243 (April 7, 2011), 76 FR 20771 (April 13, 2011) (SR-CBOE-2011-038) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Close of Trading Hours for Expiring End of Week and End of Month Expirations).

Because the potential pricing divergence issue applies to all ISE-listed p.m.-settled options, including but not limited to the Weekly Expiration and EOM series listed on ISE, the Exchange proposes to add the exception providing for a 4:00 close of trading on the last trading day before expiration to ISE's Rule 700(c) which sets forth the trading hours for all broad-based index options, and Rule 2008, Trading Sessions, in addition to Rule 2009, Supplementary Material .07(d).

Thus, as revised, Rule 700(c) would provide that options on a broad-based index, as defined in ISE Rule 2001, may be traded on the Exchange until 4:15 p.m. each business day, except that that on the last trading day, transactions in expiring p.m.-settled broad-based index options may be effected on the Exchange between the hours of 9:30 a.m. (Eastern Time) and 4:00 p.m. (Eastern Time). The exception would also be added to Rule 2008(a) which currently provides, in relevant part, that except as otherwise provided in Rule 2008 or under unusual conditions as may be determined by the President or his designee, transactions in index options may be effected on the Exchange between the hours of 9:30 a.m. (Eastern Time) and 4:15 p.m. (Eastern Time). Finally, the same change would be made to Supplementary Material .07(d) of Rule 2009, which currently provides that transactions in Weekly Expirations and EOMs may be effected on the Exchange between the hours of 9:30 a.m. (Eastern Time) and 4:15 p.m. (Eastern Time).

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>7</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove

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<sup>6</sup> 15 U.S.C. 78f(b).

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, by conforming the trading hours on the last trading day of Weekly Expiration and EOM options to the trading hours on CBOE. The existence of dissimilar closing times applicable to different options exchanges would likely lead to confusion for options investors and broker-dealers. Additionally, preventing continued trading on a p.m.-settled broad-based index option after the exercise settlement value has been fixed eliminates potential confusion and thereby protects investors and the public interest. The Exchange notes that P.M.-settled options on the S&P 500 index and on P.M.-settled XSP options cease trading at 4:00 PM Eastern Time on the last day of trading pursuant to CBOE Rule 24.6, Days and Hours of Business, Interpretations and Policies .04.<sup>8</sup>

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. Specifically, the Exchange does not believe the proposal will impose any burden on intramarket competition as all market participants will be treated in the same manner with respect to trading hours of expiring p.m.-settled broad-based index options.

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<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> CBOE Rule 24.6, Days and Hours of Business, Interpretations and Policies .04, provides that on their last trading day, transactions in expiring P.M.-settled S&P 500 Index options(P.M.- settled third Friday-of-the-month SPX options series) and P.M.-settled XSP options maybe effected on CBOE between the hours of 8:30 a.m. (Chicago time) and 3:00 pm (Chicago time) See Securities Exchange Act Release Nos. 68457 (December 18, 2012), 77 FR 76135 (December 26, 2012) and 68888 (February 8, 2018), 78 FR 10668 (February14, 2013) (approving SR-CBOE-2012-120).

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)<sup>9</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>10</sup> 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.

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 designated by the Commission. The Exchange is requesting a waiver of the five day pre-filing period, in order that investors may immediately benefit from the clarity provided by the amendments which conform trading hours of Weekly Expiration and EOM options to those of CBOE.

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<sup>9</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

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.

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 period for “non-controversial” proposals contained in Rule 19b-4(f)(6)(iii) and make the proposed rule change effective and operative upon filing. Such a waiver will permit the Exchange to immediately conform Weekly Expiration and EOM trading hours to those of CBOE, thereby eliminating a potential source of confusion on the part of the investing public, as well as avoid potential pricing divergence difficulties that could occur between 4:00 and 4:15 p.m. (Eastern Time) on the final trading day in expiring p.m.-settled broad-based index options generally.

As discussed above, the proposed new language is substantively identical to language in CBOE Rule 29.4(e)(4). The Exchange believes that this proposed rule change does not raise any new, unique or substantive issues from those raised in the previously approved CBOE rule. The proposed rule change will benefit the public, in that it will avoid the potential for confusion arising out of different trading hours for Weekly Expiration and EOM options, in particular for market participants that are

members of both CBOE and ISE, and will avoid potential pricing divergence difficulties that could occur between 4:00 and 4:15 p.m. (Eastern Time) on the final trading day in expiring p.m.-settled broad-based index options.

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

The proposal is based upon language in CBOE Rule 24.9(e), Nonstandard Expirations Pilot Program, at Section 4, Weekly Expirations and EOM Trading Hours on the Last Trading Day.

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 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-2018-30)

March \_\_, 2018

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to amend ISE Rules 700.

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 March 29, 2018, 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 ISE Rules 700, Days and Hours of Business, at Section (c); 2008, Days and Hours of Business; and 2009, Terms of Index Option Contracts, Supplementary Material .07, Nonstandard Expirations Pilot Program.

The text of the proposed rule change is available on the Exchange’s Website at <http://ise.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

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

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

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

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

1. Purpose

The purpose of this rule filing is to establish that transactions in expiring p.m.-settled broad-based index options, including Weekly Expirations and End of Month ("EOM") options, may be effected on the Exchange only until 4:00 P.M. (Eastern Time) on the last trading day.<sup>3</sup> The terms of p.m.-settled broad-based index options specify that their exercise settlement value is based on the index value derived from the closing prices of component stocks.

Currently, ISE Rule 700(c) provides that broad-based index options may trade until 4:15 p.m. each business day. The Exchange now proposes to add language to Rule 700(c) to establish that on the last trading day transactions in expiring p.m.-settled broad-based index options may be effected on the Exchange between the hours of 9:30 a.m.

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<sup>3</sup> The listing and trading of p.m.-settled options on broad-based indexes with nonstandard expiration dates, including Weekly Expirations and EOM options, has been approved by the Commission on a pilot basis for an initial period of twelve months expiring on February 1, 2019 (the "Nonstandard Expirations Pilot Program" or "Pilot Program"). See Supplementary Material .07 of Rule 2009 and Securities Exchange Act Release No. 82612 (February 1, 2018), 83 FR 5470 (February 7, 2018) (SR-ISE-2017-111). To date, no Weekly Expirations or EOM options have been listed on the Exchange.

(Eastern Time) and 4:00 p.m. (Eastern Time). The same new language is proposed to be added to Rules 2008, Trading Sessions, and 2009, Terms of Index Option Contracts, at Supplementary Material .07(d), Weekly Expirations and EOM Trading Hours. The proposed new language is substantively identical to language in Rule 24.9(e), Weekly Expirations and EOM Trading Hours on the Last Trading Day, of the Cboe Exchange, Inc. (CBOE). The 4:00 p.m. close of trading would apply only on the last trading day of the expiring p.m.-settled options.

As CBOE explained in the proposed rule change adopting current CBOE Rule 24.9(e), Weekly Expirations and EOM options which are p.m.-settled are priced in the market based on corresponding futures values. On the last day of trading, the closing prices of the component stocks (which are used to derive the exercise settlement value) are known at 4:00 p.m. (Eastern Time) (or soon after) when the equity markets close. Despite the fact that the exercise settlement value is fixed at or soon after 4:00 p.m. (Eastern Time), if trading in expiring Weekly Expirations and EOMs were to continue for an additional fifteen minutes until 4:15 p.m. (Eastern Time) they would not be priced on corresponding futures values, but rather the known cash value. At the same time, the prices of non-expiring Weekly Expiration and EOM series would continue to move and be priced in response to changes in corresponding futures prices. Because of the potential pricing divergence that could occur between 4:00 and 4:15 p.m. on the final trading day in expiring Weekly Expirations and EOMs (e.g., switch from pricing off of futures to cash), the Exchange believes that, in order to mitigate potential investor

confusion, it is appropriate to cease trading in expiring Weekly Expirations and EOMs at 4:00 p.m. on the last day of trading.<sup>4</sup>

Because the potential pricing divergence issue applies to all ISE-listed p.m.-settled options, including but not limited to the Weekly Expiration and EOM series listed on ISE, the Exchange proposes to add the exception providing for a 4:00 close of trading on the last trading day before expiration to ISE's Rule 700(c) which sets forth the trading hours for all broad-based index options, and Rule 2008, Trading Sessions, in addition to Rule 2009, Supplementary Material .07(d).

Thus, as revised, Rule 700(c) would provide that options on a broad-based index, as defined in ISE Rule 2001, may be traded on the Exchange until 4:15 p.m. each business day, except that that on the last trading day, transactions in expiring p.m.-settled broad-based index options may be effected on the Exchange between the hours of 9:30 a.m. (Eastern Time) and 4:00 p.m. (Eastern Time). The exception would also be added to Rule 2008(a) which currently provides, in relevant part, that except as otherwise provided in Rule 2008 or under unusual conditions as may be determined by the President or his designee, transactions in index options may be effected on the Exchange between the hours of 9:30 a.m. (Eastern Time) and 4:15 p.m. (Eastern Time). Finally, the same change would be made to Supplementary Material .07(d) of Rule 2009, which currently provides that transactions in Weekly Expirations and EOMs may be effected on the Exchange between the hours of 9:30 a.m. (Eastern Time) and 4:15 p.m. (Eastern Time).

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<sup>4</sup> See Securities Exchange Act Release No. 64243 (April 7, 2011), 76 FR 20771 (April 13, 2011) (SR-CBOE-2011-038) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Close of Trading Hours for Expiring End of Week and End of Month Expirations).

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>5</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>6</sup> 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, by conforming the trading hours on the last trading day of Weekly Expiration and EOM options to the trading hours on CBOE. The existence of dissimilar closing times applicable to different options exchanges would likely lead to confusion for options investors and broker-dealers. Additionally, preventing continued trading on a p.m.-settled broad-based index option after the exercise settlement value has been fixed eliminates potential confusion and thereby protects investors and the public interest. The Exchange notes that P.M.-settled options on the S&P 500 index and on P.M.-settled XSP options cease trading at 4:00 PM Eastern Time on the last day of trading pursuant to CBOE Rule 24.6, Days and Hours of Business, Interpretations and Policies .04.

### 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. Specifically, the Exchange does not believe the proposal will impose any burden on intramarket competition as all market participants will be treated in the same manner with respect to trading hours of expiring p.m.-settled broad-based index options.

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<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(5).

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 Act<sup>7</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>8</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:

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<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>8</sup> 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.

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-2018-30 on the subject line.

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-2018-30. 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-2018-30 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>9</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>9</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

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

**Nasdaq ISE Rules**

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**Rule 700. Days and Hours of Business**

The Board shall determine the days the Exchange shall be open for business (referred to as "business days") and the hours of such days during which transactions may be made on the Exchange.

(a) No change.

(b) Options on Fund Shares, as defined in Rule 502(h), may be traded on the Exchange until 4:15 p.m. each business day.

(c) Options on a broad-based index, as defined in Rule 2001, may be traded on the Exchange until 4:15 p.m. each business day, except that that on the last trading day, transactions in expiring p.m.-settled broad-based index options may be effected on the Exchange between the hours of 9:30 a.m. (Eastern time) and 4:00 p.m. (Eastern time).

(d) - (e) No change.

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**Rule 2008. Trading Sessions**

(a) *Days and Hours of Business.* Except as otherwise provided in this Rule or under unusual conditions as may be determined by the President or his designee, transactions in index options, including Foreign Currency Index options, may be effected on the Exchange between the hours of 9:30 a.m. and 4:15 p.m. Eastern time, except that that on the last trading day, transactions in expiring p.m.-settled broad-based index options may be effected on the Exchange between the hours of 9:30 a.m. (Eastern time) and 4:00 p.m. (Eastern time). With respect to options on foreign indexes, an Exchange official designated by the Board shall determine the days and hours of business.

(b) - (g) No change.

**Rule 2009. Terms of Index Options Contracts**

(a) – (e) No change.

*Supplementary Material to Rule 2009*

.01 - .06 No change.

.07 Nonstandard Expirations Pilot Program

(a) – (c) No change.

(d) Weekly Expirations and EOM Trading Hours. Transactions in Weekly Expirations and EOMs may be effected on the Exchange between the hours of 9:30 A.M. (Eastern Time) and 4:15 P.M. (Eastern Time), except that that on the last trading day, transactions in expiring p.m.-settled broad-based index options may be effected on the Exchange between the hours of 9:30 a.m. (Eastern time) and 4:00 p.m. (Eastern time).

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