OMB APPROVAL	
OMB Number:	3235-0045
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Page 1 of * 28

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2018 - * 38
Amendment No. (req. for Amendments *)

Filing by Nasdaq ISE, LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☑	☐	☐	☐	☑	☐

Pilot	Extension of Time Period for Commission Action *	Date Expires *
☐	☐	

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
☑ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) *	Section 806(e)(2) *
☐	☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐
Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to amend the Exchange Schedule of Fees to add pricing for P.M. settled options on broad based indexes with nonstandard expiration dates.

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 * Sun Last Name * Kim
Title * Assistant General Counsel
E-mail * Sun.Kim@nasdaq.com
Telephone * (212) 231-5106 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.

Date 04/17/2018
By Edward S. Knight
(Name *)

(Title *)
Executive Vice President and General Counsel

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.

edward.knight@nasdaq.com

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Nasdaq ISE, LLC ("ISE" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] is filing with the Securities and Exchange Commission ("SEC" or "Commission") a proposal to amend the Exchange's Schedule of Fees to add pricing for P.M. settled options on broad-based indexes with nonstandard expiration dates, as described further below.

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 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.

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

Sun Kim
Assistant General Counsel
Nasdaq, Inc.
212-231-5106

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

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

a. Purpose

The Exchange recently received approval to list P.M. settled options on broad-based indexes with nonstandard expiration dates on a twelve month pilot basis, beginning on February 1, 2018.[3] This pilot permits both Weekly Expirations and End of Month expirations similar to those of A.M. settled broad-based index options, except that the exercise settlement value will be based on the index value derived from the closing prices of component stocks.[4] The Exchange proposes to list these aforementioned options, commencing on April 19, 2018, with the symbol "NDXP."

The Exchange now proposes to adopt the index pricing applicable to NDX[5] today to NDXP. Accordingly, the Exchange proposes to add the following definition in its Schedule of Fees: "'NDX' will mean A.M. or P.M settled options on the full value of the Nasdaq 100® Index." Therefore, each reference to NDX pricing currently in the Schedule of Fees will likewise apply to NDXP under this proposal, as further discussed below. The Exchange initially filed the proposed pricing changes on April 9, 2018 (SR-ISE-2018-33). On April 17, 2018, the Exchange withdrew that filing and submitted this filing.

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[3] See Securities Exchange Act Release No. 82612 (February 1, 2018), 83 FR 5470 (February 7, 2018) (SR-ISE-2017-111).

[4] Id.

[5] NDX represents A.M. settled options on the full value of the Nasdaq 100® Index and is traded under the symbol NDX.

Section I: Transaction Fees for Index Options

Today, the Exchange charges a uniform transaction fee of $0.75 per contract for Non-Priority Customer[6] orders in NDX. These fees are assessed to all executions in NDX, including Non-Priority Customer Crossing Orders[7] in NDX. No transaction fee is assessed to Priority Customer[8] orders in NDX. The Exchange now proposes to apply these transaction fees to NDXP.

Section II: Priority Customer Complex Rebates

Today, the tiered Priority Customer Complex Rebates in Section II of the Schedule of Fees are not paid for NDX. As proposed, the Priority Customer Complex Rebates will likewise not be paid for NDXP.

Section IV.C: Non-Priority Customer License Surcharge

Today, the Exchange charges a $0.25 per contract license surcharge for all Non-Priority Customer orders in NDX, which applies to all executions in NDX, including executions of NDX orders that are routed to away markets in connection with the Options Order Protection and Locked/Crossed Market Plan (the "Plan").[9] The Exchange

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6 Non-Priority Customer includes Market Maker, Non-Nasdaq ISE Market Maker, Firm Proprietary / Broker-Dealer, and Professional Customer.

7 A "Crossing Order" is an order executed in the Exchange's Facilitation Mechanism, Solicited Order Mechanism, Price Improvement Mechanism (PIM) or submitted as a Qualified Contingent Cross order. For purposes of the Fee Schedule, orders executed in the Block Order Mechanism are also considered Crossing Orders.

8 A "Priority Customer" is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq ISE Rule 100(a)(37A).

9 The Exchange applies a route-out fee to executions of orders in all symbols that are routed to away markets in connection with the Plan. Specifically, Non-

currently assesses a $0.25 per contract license surcharge as well as a route-out fee of $0.95 per contract for those Non-Priority Customer NDX orders that are executed on an away market in connection with the Plan. Under the Exchange's proposal, the $0.25 per contract Non-Priority Customer license surcharge for NDX will likewise apply to all executions in NDXP, including executions of NDXP orders that are routed to away markets in connection the Plan. For those NDXP orders that are routed away, the Exchange will also charge the $0.95 per contract route-out fee in addition to the $0.25 per contract license surcharge under this proposal.[10]

Section IV.E: Marketing Fee

By way of background, the Exchange administers a marketing fee program that helps Market Makers (i.e., Primary Market Makers and Competitive Market Makers) establish marketing fee arrangements with Electronic Access Members ("EAMs") in exchange for those EAMs routing some or all of their order flow to the Market Maker. This program is funded through a fee of $0.70 per contract, which is paid by Market Makers for each regular Priority Customer contract executed in Non-Select Symbols. This fee is currently waived for NDX orders. As proposed, the marketing fee will similarly be waived for NDXP orders.

Priority Customer orders in Non-Select Symbols (i.e., options overlying all symbols that are not in the Penny Program) pay a route-out fee of $0.95 per contract. NDX is a Non-Select Symbol. See Schedule of Fees, Section IV.F. See also Securities Exchange Act Release No. 80249 (March 15, 2017), 82 FR 14586 (March 21, 2017) (SR-ISE-2017-23) (establishing the $0.25 per contract Non-Priority Customer license surcharge for NDX, among other pricing changes); and Securities Exchange Act Release No. 81024 (June 26, 2017), 82 FR 29964 (June 30, 2017) (SR-ISE-2017-54) (applying the Non-Priority Customer license surcharge to orders in licensed products, including NDX, that are routed to away markets in connection with the Plan).

10 NDXP is a Non-Select Symbol.

Section IV.H: Crossing Fee Cap

Today, the Exchange caps Crossing Order fees at $90,000 per month per member on all Firm Proprietary and Non-Nasdaq ISE Market Maker transactions that are part of the originating or contra side of a Crossing Order. Surcharge fees charged by the Exchange for licensed products (e.g., the $0.25 per contract license surcharge for NDX) and the fees for index options as set forth in Section I (e.g., the $0.75 per contract fees for NDX) are currently excluded from the calculation of this monthly fee cap. As proposed, the license surcharge and fees for NDXP will likewise be excluded from the calculation of the monthly Crossing Fee Cap.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[11] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[12] in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. In general, the Exchange believes that its proposal is reasonable, equitable and not unfairly discriminatory because NDX and NDXP represent similar options on the same underlying Nasdaq 100® Index and the Exchange therefore desires to apply pricing for NDXP in a similar manner as NDX.

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11 15 U.S.C. 78f(b).

12 15 U.S.C. 78f(b)(4) and (5).

Section I: Transaction Fees for Index Options

The Exchange's proposal to assess the same transaction fees for NDXP as it currently assesses for NDX is reasonable as NDXP will be an exclusively listed product on Nasdaq, Inc.-owned exchanges only.[13] Similar to NDX, the Exchange seeks to recoup the operational costs for listing proprietary products.[14] Also, pricing by symbol is a common practice on many U.S. options exchanges as a means to incentivize order flow to be sent to an exchange for execution in particular products. Other options exchanges price by symbol.[15] Further, the Exchange notes that with its products, market participants are offered an opportunity to either transact NDXP or separately execute PowerShares QQQ Trust ("QQQ") options.[16] Offering products such as QQQ provides market participants with a variety of choices in selecting the product they desire to utilize to transact the Nasdaq 100® Index.[17] When exchanges are able to recoup costs associated with offering proprietary products, it incentivizes growth and competition for the innovation of additional products.

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13 NDXP is also currently listed on ISE's affiliated exchange, Nasdaq PHLX LLC ("Phlx").

14 For example, in analyzing an obvious error, the Exchange would have additional data points available in establishing a theoretical price for a multiply listed option as compared to a proprietary product, which requires additional analysis and administrative time to comply with Exchange rules to resolve an obvious error.

15 See pricing for Russell 2000 Index ("RUT") on Chicago Board Options Exchange, Incorporated's ("CBOE") Fees Schedule and on CBOE C2 Exchange, Inc.'s ("C2") Fees Schedule.

16 QQQ is an exchange-traded fund based on the Nasdaq 100® Index.

17 QQQ options overlie the same index as NDX, namely the Nasdaq 100® Index. This relationship between QQQ options and NDX options is similar to the relationship between RUT and the iShares Russell 2000 Index ("IWM"), which is the ETF on RUT.

Furthermore, the Exchange believes that its proposal to assess a $0.75 per contract transaction fee for Non-Priority Customer orders in NDXP and no fee for Priority Customer orders, in each case identical to NDX, is reasonable because the fees are in line with its affiliate, Phlx. Phlx assesses a $0.75 per contract electronic options transaction charge for all non-customer orders in NDX and NDXP, and does not assess an electronic options transaction charge for customer orders in NDX and NDXP.[18]

The Exchange believes that the proposed transaction fees for Non-Priority Customer orders in NDXP are equitable and not unfairly discriminatory because the Exchange will uniformly assess the $0.75 per contract fee to all such market participants. The Exchange also believes that it is equitable and not unfairly discriminatory to assess no transaction fees to Priority Customer orders in NDXP because Priority Customer orders bring valuable liquidity to the market, which in turn benefits other market participants.

Section II: Priority Customer Complex Rebates

The Exchange believes that its proposal to eliminate the Priority Customer Complex Rebates for NDXP, similar to NDX, is reasonable because even after the elimination of the rebate, Priority Customer complex orders in NDXP will not be assessed any complex order transaction fees. By contrast, public customer executions on C2 in RUT are subject to a $0.15 per contract transaction fee.[19]

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[18] See Phlx's Pricing Schedule, Section II.

[19] See C2's Fees Schedule, Section 1.C.

The Exchange's proposal to eliminate the Priority Customer Complex Rebates for NDXP is equitable and not unfairly discriminatory because the Exchange will eliminate the rebate for all similarly situated members.

Section IV.C: Non-Priority Customer License Surcharge

The Exchange believes that its proposal to charge a $0.25 per contract Non-Priority Customer license surcharge for NDXP, similar to NDX, is reasonable because it is in line with the options surcharge of $0.25 per contract for non-customer transactions in NDX and NDXP on Phlx,[20] and is lower than the $0.45 per contract surcharge C2 applies to non-public customer transactions in RUT.[21] The Exchange also believes that its proposal to apply the Non-Priority Customer license surcharge to all executions in NDXP orders, including those orders that are routed to away markets in connection with the Plan, is reasonable because it will offset the costs associated with executing orders on away markets as well as the operational costs associated with listing proprietary products.

Further, the Exchange believes that its proposal to charge the Non-Priority Customer license surcharge for all executions in NDXP orders, including those orders that are executed on away markets in connection with the Plan is equitable and not unfairly discriminatory because the Exchange will apply the same surcharge for all similarly situated members in a similar manner. The Exchange also believes that it is equitable and not unfairly discriminatory to not assess the surcharge to Priority Customer orders in NDXP because Priority Customer orders bring valuable liquidity to the market, which in turn benefits other market participants.

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20 See Phlx's Pricing Schedule, Section II.

21 See C2's Fees Schedule, Section 1.D.

Section IV.E: Marketing Fee

The Exchange believes that its proposal to exclude NDXP from the $0.70 per contract marketing fee is reasonable because the purpose of the marketing fee is to attract order flow to the Exchange. Because NDXP will be an exclusively listed product, a marketing fee whose purpose is to attract order flow to the Exchange is no longer necessary for NDXP.

The Exchange's proposal to exclude NDXP from the marketing fee is equitable and not unfairly discriminatory because the Exchange will apply this exclusion to all similarly situated members.

Section IV.H: Crossing Fee Cap

The Exchange believes that its proposal to exclude the Non-Priority Customer license surcharge and transaction fees for NDXP from the calculation of the monthly Crossing Fee Cap is reasonable because NDXP will be an exclusively listed product. Similar to NDX, which is also excluded from the Crossing Fee Cap, the Exchange seeks to recoup the operational costs for listing proprietary products.

The Exchange further believes that the proposed exclusion of NDXP from the Crossing Fee Cap is equitable and not unfairly discriminatory because the Exchange will apply the exclusion all similarly situated members.

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. All of the proposed changes are to adopt the current pricing applicable to NDX to NDXP, and the Exchange believes that the pricing for its proprietary products remains competitive with other options exchanges, as discussed above. In addition, the Exchange notes that with its products, market participants are offered an opportunity to either transact NDXP or separately execute QQQ options. Offering products such as QQQ provides market participants with a variety of choices in selecting the product they desire to utilize to transact the Nasdaq 100® Index.[22] Furthermore, the proposed pricing changes will apply uniformly to all similarly situated market participants, as discussed above. For the foregoing reasons, the Exchange does not believe that the proposed changes to apply the current pricing applicable to NDX to NDXP will impose an undue burden on competition.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

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[22] See note 17 above.

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,[23] the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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

The proposal is similar to SR-Phlx-2018-02, where Phlx also applied NDX pricing on Phlx to NDXP.

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.

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[23] 15 U.S.C. 78s(b)(3)(A)(ii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-ISE-2018-38)

April __, 2018

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Add Pricing for P.M. Settled Options on Broad-based Indexes with Nonstandard Expiration Dates

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1], and Rule 19b-4 thereunder,[2] notice is hereby given that on April 17, 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 the Exchange's Schedule of Fees to add pricing for P.M. settled options on broad-based indexes with nonstandard expiration dates, as described further below.

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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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 Exchange recently received approval to list P.M. settled options on broad-based indexes with nonstandard expiration dates on a twelve month pilot basis, beginning on February 1, 2018.[3] This pilot permits both Weekly Expirations and End of Month expirations similar to those of A.M. settled broad-based index options, except that the exercise settlement value will be based on the index value derived from the closing prices of component stocks.[4] The Exchange proposes to list these aforementioned options, commencing on April 19, 2018, with the symbol "NDXP."

The Exchange now proposes to adopt the index pricing applicable to NDX[5] today to NDXP. Accordingly, the Exchange proposes to add the following definition in its Schedule of Fees: "'NDX' will mean A.M. or P.M settled options on the full value of the

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3 See Securities Exchange Act Release No. 82612 (February 1, 2018), 83 FR 5470 (February 7, 2018) (SR-ISE-2017-111).

4 Id.

5 NDX represents A.M. settled options on the full value of the Nasdaq 100® Index and is traded under the symbol NDX.

Nasdaq 100® Index." Therefore, each reference to NDX pricing currently in the Schedule of Fees will likewise apply to NDXP under this proposal, as further discussed below. The Exchange initially filed the proposed pricing changes on April 9, 2018 (SR-ISE-2018-33). On April 17, 2018, the Exchange withdrew that filing and submitted this filing.

Section I: Transaction Fees for Index Options

Today, the Exchange charges a uniform transaction fee of $0.75 per contract for Non-Priority Customer[6] orders in NDX. These fees are assessed to all executions in NDX, including Non-Priority Customer Crossing Orders[7] in NDX. No transaction fee is assessed to Priority Customer[8] orders in NDX. The Exchange now proposes to apply these transaction fees to NDXP.

Section II: Priority Customer Complex Rebates

Today, the tiered Priority Customer Complex Rebates in Section II of the Schedule of Fees are not paid for NDX. As proposed, the Priority Customer Complex Rebates will likewise not be paid for NDXP.

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6 Non-Priority Customer includes Market Maker, Non-Nasdaq ISE Market Maker, Firm Proprietary / Broker-Dealer, and Professional Customer.

7 A "Crossing Order" is an order executed in the Exchange's Facilitation Mechanism, Solicited Order Mechanism, Price Improvement Mechanism (PIM) or submitted as a Qualified Contingent Cross order. For purposes of the Fee Schedule, orders executed in the Block Order Mechanism are also considered Crossing Orders.

8 A "Priority Customer" is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq ISE Rule 100(a)(37A).

Section IV.C: Non-Priority Customer License Surcharge

Today, the Exchange charges a $0.25 per contract license surcharge for all Non-Priority Customer orders in NDX, which applies to all executions in NDX, including executions of NDX orders that are routed to away markets in connection with the Options Order Protection and Locked/Crossed Market Plan (the "Plan").[9] The Exchange currently assesses a $0.25 per contract license surcharge as well as a route-out fee of $0.95 per contract for those Non-Priority Customer NDX orders that are executed on an away market in connection with the Plan. Under the Exchange's proposal, the $0.25 per contract Non-Priority Customer license surcharge for NDX will likewise apply to all executions in NDXP, including executions of NDXP orders that are routed to away markets in connection the Plan. For those NDXP orders that are routed away, the Exchange will also charge the $0.95 per contract route-out fee in addition to the $0.25 per contract license surcharge under this proposal.[10]

Section IV.E: Marketing Fee

By way of background, the Exchange administers a marketing fee program that helps Market Makers (i.e., Primary Market Makers and Competitive Market Makers)

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[9] The Exchange applies a route-out fee to executions of orders in all symbols that are routed to away markets in connection with the Plan. Specifically, Non-Priority Customer orders in Non-Select Symbols (i.e., options overlying all symbols that are not in the Penny Program) pay a route-out fee of $0.95 per contract. NDX is a Non-Select Symbol. See Schedule of Fees, Section IV.F. See also Securities Exchange Act Release No. 80249 (March 15, 2017), 82 FR 14586 (March 21, 2017) (SR-ISE-2017-23) (establishing the $0.25 per contract Non-Priority Customer license surcharge for NDX, among other pricing changes); and Securities Exchange Act Release No. 81024 (June 26, 2017), 82 FR 29964 (June 30, 2017) (SR-ISE-2017-54) (applying the Non-Priority Customer license surcharge to orders in licensed products, including NDX, that are routed to away markets in connection with the Plan).

[10] NDXP is a Non-Select Symbol.

establish marketing fee arrangements with Electronic Access Members ("EAMs") in exchange for those EAMs routing some or all of their order flow to the Market Maker. This program is funded through a fee of $0.70 per contract, which is paid by Market Makers for each regular Priority Customer contract executed in Non-Select Symbols. This fee is currently waived for NDX orders. As proposed, the marketing fee will similarly be waived for NDXP orders.

Section IV.H: Crossing Fee Cap

Today, the Exchange caps Crossing Order fees at $90,000 per month per member on all Firm Proprietary and Non-Nasdaq ISE Market Maker transactions that are part of the originating or contra side of a Crossing Order. Surcharge fees charged by the Exchange for licensed products (e.g., the $0.25 per contract license surcharge for NDX) and the fees for index options as set forth in Section I (e.g., the $0.75 per contract fees for NDX) are currently excluded from the calculation of this monthly fee cap. As proposed, the license surcharge and fees for NDXP will likewise be excluded from the calculation of the monthly Crossing Fee Cap.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[11] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[12] in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

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[11] 15 U.S.C. 78f(b).

[12] 15 U.S.C. 78f(b)(4) and (5).

In general, the Exchange believes that its proposal is reasonable, equitable and not unfairly discriminatory because NDX and NDXP represent similar options on the same underlying Nasdaq 100® Index and the Exchange therefore desires to apply pricing for NDXP in a similar manner as NDX.

Section I: Transaction Fees for Index Options

The Exchange's proposal to assess the same transaction fees for NDXP as it currently assesses for NDX is reasonable as NDXP will be an exclusively listed product on Nasdaq, Inc.-owned exchanges only.[13] Similar to NDX, the Exchange seeks to recoup the operational costs for listing proprietary products.[14] Also, pricing by symbol is a common practice on many U.S. options exchanges as a means to incentivize order flow to be sent to an exchange for execution in particular products. Other options exchanges price by symbol.[15] Further, the Exchange notes that with its products, market participants are offered an opportunity to either transact NDXP or separately execute PowerShares QQQ Trust ("QQQ") options.[16] Offering products such as QQQ provides market participants with a variety of choices in selecting the product they desire to utilize to

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13 NDXP is also currently listed on ISE's affiliated exchange, Nasdaq PHLX LLC ("Phlx").

14 For example, in analyzing an obvious error, the Exchange would have additional data points available in establishing a theoretical price for a multiply listed option as compared to a proprietary product, which requires additional analysis and administrative time to comply with Exchange rules to resolve an obvious error.

15 See pricing for Russell 2000 Index ("RUT") on Chicago Board Options Exchange, Incorporated's ("CBOE") Fees Schedule and on CBOE C2 Exchange, Inc.'s ("C2") Fees Schedule.

16 QQQ is an exchange-traded fund based on the Nasdaq 100® Index.

transact the Nasdaq 100® Index.[17] When exchanges are able to recoup costs associated with offering proprietary products, it incentivizes growth and competition for the innovation of additional products.

Furthermore, the Exchange believes that its proposal to assess a $0.75 per contract transaction fee for Non-Priority Customer orders in NDXP and no fee for Priority Customer orders, in each case identical to NDX, is reasonable because the fees are in line with its affiliate, Phlx. Phlx assesses a $0.75 per contract electronic options transaction charge for all non-customer orders in NDX and NDXP, and does not assess an electronic options transaction charge for customer orders in NDX and NDXP.[18]

The Exchange believes that the proposed transaction fees for Non-Priority Customer orders in NDXP are equitable and not unfairly discriminatory because the Exchange will uniformly assess the $0.75 per contract fee to all such market participants. The Exchange also believes that it is equitable and not unfairly discriminatory to assess no transaction fees to Priority Customer orders in NDXP because Priority Customer orders bring valuable liquidity to the market, which in turn benefits other market participants.

Section II: Priority Customer Complex Rebates

The Exchange believes that its proposal to eliminate the Priority Customer Complex Rebates for NDXP, similar to NDX, is reasonable because even after the elimination of the rebate, Priority Customer complex orders in NDXP will not be

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17 QQQ options overlie the same index as NDX, namely the Nasdaq 100® Index. This relationship between QQQ options and NDX options is similar to the relationship between RUT and the iShares Russell 2000 Index (“IWM”), which is the ETF on RUT.

18 See Phlx’s Pricing Schedule, Section II.

assessed any complex order transaction fees. By contrast, public customer executions on C2 in RUT are subject to a $0.15 per contract transaction fee.[19]

The Exchange's proposal to eliminate the Priority Customer Complex Rebates for NDXP is equitable and not unfairly discriminatory because the Exchange will eliminate the rebate for all similarly situated members.

Section IV.C: Non-Priority Customer License Surcharge

The Exchange believes that its proposal to charge a $0.25 per contract Non-Priority Customer license surcharge for NDXP, similar to NDX, is reasonable because it is in line with the options surcharge of $0.25 per contract for non-customer transactions in NDX and NDXP on Phlx,[20] and is lower than the $0.45 per contract surcharge C2 applies to non-public customer transactions in RUT.[21] The Exchange also believes that its proposal to apply the Non-Priority Customer license surcharge to all executions in NDXP orders, including those orders that are routed to away markets in connection with the Plan, is reasonable because it will offset the costs associated with executing orders on away markets as well as the operational costs associated with listing proprietary products.

Further, the Exchange believes that its proposal to charge the Non-Priority Customer license surcharge for all executions in NDXP orders, including those orders that are executed on away markets in connection with the Plan is equitable and not unfairly discriminatory because the Exchange will apply the same surcharge for all similarly situated members in a similar manner. The Exchange also believes that it is

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19 See C2's Fees Schedule, Section 1.C.

20 See Phlx's Pricing Schedule, Section II.

21 See C2's Fees Schedule, Section 1.D.

equitable and not unfairly discriminatory to not assess the surcharge to Priority Customer orders in NDXP because Priority Customer orders bring valuable liquidity to the market, which in turn benefits other market participants.

Section IV.E: Marketing Fee

The Exchange believes that its proposal to exclude NDXP from the $0.70 per contract marketing fee is reasonable because the purpose of the marketing fee is to attract order flow to the Exchange. Because NDXP will be an exclusively listed product, a marketing fee whose purpose is to attract order flow to the Exchange is no longer necessary for NDXP.

The Exchange's proposal to exclude NDXP from the marketing fee is equitable and not unfairly discriminatory because the Exchange will apply this exclusion to all similarly situated members.

Section IV.H: Crossing Fee Cap

The Exchange believes that its proposal to exclude the Non-Priority Customer license surcharge and transaction fees for NDXP from the calculation of the monthly Crossing Fee Cap is reasonable because NDXP will be an exclusively listed product. Similar to NDX, which is also excluded from the Crossing Fee Cap, the Exchange seeks to recoup the operational costs for listing proprietary products.

The Exchange further believes that the proposed exclusion of NDXP from the Crossing Fee Cap is equitable and not unfairly discriminatory because the Exchange will apply the exclusion all similarly situated members.

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. All of the proposed changes are to adopt the current pricing applicable to NDX to NDXP, and the Exchange believes that the pricing for its proprietary products remains competitive with other options exchanges, as discussed above. In addition, the Exchange notes that with its products, market participants are offered an opportunity to either transact NDXP or separately execute QQQ options. Offering products such as QQQ provides market participants with a variety of choices in selecting the product they desire to utilize to transact the Nasdaq 100® Index.[22] Furthermore, the proposed pricing changes will apply uniformly to all similarly situated market participants, as discussed above. For the foregoing reasons, the Exchange does not believe that the proposed changes to apply the current pricing applicable to NDX to NDXP will impose an undue burden on competition.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

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[22] See note 17 above.

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

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-ISE-2018-38 on the subject line.

[23] 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-2018-38. 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-2018-38 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.[24]

Eduardo A. Aleman
Assistant Secretary

[24] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

Nasdaq ISE Rules

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PREFACE

Any day that the market is not open for the entire trading day or the Exchange instructs members in writing to route their orders to other markets may be excluded from the ADV calculation; provided that the Exchange will only remove the day for members that would have a lower ADV with the day included.

All fee disputes concerning fees which are billed by the Exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation. All fee disputes must be submitted no later than sixty (60) calendar days after receipt of a billing invoice.

For purposes of assessing fees, the following references should serve as guidance. Fees and rebates are listed per contract per leg unless otherwise noted.

A "**Priority Customer**" is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq ISE Rule 100(a)(37A). Unless otherwise noted, when used in this Schedule of Fees the term "Priority Customer" includes "Retail" as defined below.

A "**Professional Customer**" is a person or entity that is not a broker/dealer and is not a Priority Customer.

A "**Non-Nasdaq ISE Market Maker**" is a market maker as defined in Section 3(a)(38) of the Securities Exchange Act of 1934, as amended, registered in the same options class on another options exchange.

A "**Firm Proprietary**" order is an order submitted by a member for its own proprietary account.

A "**Broker-Dealer**" order is an order submitted by a member for a broker-dealer account that is not its own proprietary account.

A "**Retail**" order is a Priority Customer order that originates from a natural person, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

A "**Flash Order**" is an order that is exposed at the National Best Bid or Offer by the Exchange to all members for execution, as provided under Supplementary Material .02 to Nasdaq ISE Rule 1901.

A "**Regular Order**" is an order that consists of only a single option series and is not submitted with a stock leg.

A "**Complex Order**" is any order involving the simultaneous purchase and/or sale of two or more different options series in the same underlying security, as provided in Nasdaq ISE Rule 722, as well as Stock-Option Orders and SSF-Option Orders.

A "**Crossing Order**" is an order executed in the Exchange's Facilitation Mechanism, Solicited Order Mechanism, Price Improvement Mechanism (PIM) or submitted as a Qualified Contingent Cross order. For purposes of this Fee Schedule, orders executed in the Block Order Mechanism are also considered Crossing Orders.

"**Responses to Crossing Order**" is any contra-side interest submitted after the commencement of an auction in the Exchange's Facilitation Mechanism, Solicited Order Mechanism, Block Order Mechanism or PIM.

"**Select Symbols**" are options overlying all symbols listed on the Nasdaq ISE that are in the Penny Pilot Program. The current list of Nasdaq ISE-listed Penny Pilot Program symbols is available
at http://www.ise.com/assets/files/products/pennies/penny_stocks.xls.

"**Non-Select Symbols**" are options overlying all symbols excluding Select Symbols.

"**FX Option Symbols**" are options overlying AUM, GBP, EUU and NDO.

"**Early Adopter FX Option Symbols**" are options overlying NZD, PZO, SKA, BRB, AUX, BPX, CDD, EUI, YUK and SFC.

"**NDX**" means A.M. or P.M. settled options on the full value of the Nasdaq 100® Index.

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