

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 52	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2020 - * 11	Amendment No. (req. for Amendments *)	
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"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <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 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 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"/>			
<b>Description</b> Provide a brief description of the action (limit 250 characters, required when Initial is checked *).  A proposal to amend its rules related to the removal of obsolete listing rules					
<b>Contact Information</b> 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 * Angela Last Name * Dunn Title * Principal Associate General Counsel E-mail * angela.dunn@nasdaq.com Telephone * (215) 496-5692 Fax <input type="text"/>					
<b>Signature</b> 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 03/18/2020 By John Zecca (Name *) EVP and Chief Legal 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.  john.zecca@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 proposal to amend its Rules at Options 2, Options Market Participants; Options 3, Section 2, Units of Trading and Meaning of Premium Quotes and Orders; Options 3, Section 3, Minimum Trading Increments; Options 4, Section 5, Series of Options Contracts Open for Trading; Options 4A, Section 2, Definitions; Options 4A, Section 6, Position Limits for Broad-Based Index Options; Options 4A, Section 8, Position Limits for Foreign Currency Index Options; Options 4A, Section 10, Exercise Limits; Options 4A, Section 11, Trading Sessions; Options 4A, Section 12, Terms of Index Options Contracts; Options 6, Options Trade Administration; Options 6C, Section 3, Margin Requirements; Options 6C, Section 4, Meeting Margin Calls by Liquidation Prohibited; Options 9, Section 4, Disruptive Quoting and Trading Activity Prohibited,; Options 9, Section 13, Position Limits; Options 9, Section 14, Exemptions from Position Limits; and Options 9, Section 15, Exercise Limits. Additionally, the Exchange proposes to add new sections at General 9 and Options 4B and reserve those sections.

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.

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

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

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 25, 2019. 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

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

a. Purpose

The Exchange proposes to amend its Rules at Options 2, Options Market Participants; Options 3, Section 2, Units of Trading and Meaning of Premium Quotes and Orders; Options 3, Section 3, Minimum Trading Increments; Options 4, Section 5, Series of Options Contracts Open for Trading; Options 4A, Section 2, Definitions; Options 4A, Section 6, Position Limits for Broad-Based Index Options; Options 4A, Section 8, Position Limits for Foreign Currency Index Options; Options 4A, Section 10, Exercise Limits; Options 4A, Section 11, Trading Sessions; Options 4A, Section 12, Terms of Index Options Contracts; Options 6, Options Trade Administration; Options 6C, Section 3, Margin Requirements; Options 6C, Section 4, Meeting Margin Calls by Liquidation Prohibited; Options 9, Section 4, Disruptive Quoting and Trading Activity Prohibited,; Options 9, Section 13, Position Limits; Options 9, Section 14, Exemptions from Position Limits; and Options 9, Section 15, Exercise Limits. Additionally, the Exchange

proposes to add new sections at General 9 and Options 4B and reserve those sections.

The various proposed changes will be discussed below.

### Mini Options

The Exchange has not listed Mini Options in several years and is proposing to delete Mini Options listing rules and other ancillary trading rules related to the listing of Mini Options. The Exchange notes that it has no open interest in Mini Options.

Specifically, the Exchange proposes to amend the following ISE Rules related to Mini Options by deleting references to Mini Options within these rules: Options 3, Section 2(d), Units of Trading and Meaning of Premium Quotes and Orders; Options 3, Section 3, Minimum Trading Increments, at Supplementary Material .03; Options 4, Section 5, Series of Options Contracts Open for Trading, at Supplementary Material .13; Options 9, Section 13, Position Limits. at Supplementary Material .03; and Options 9, Section 14, Exemptions From Position Limits.

### Foreign Currency Index

The Exchange removed<sup>3</sup> prior ISE Section 22, which was titled “Rate-Modified Foreign Currency Options Rules” and governed the listing and trading of foreign currency options on ISE. At this time, the Exchange is removing Options 4A, Section 8, which is being reserved, as well as the definition of Foreign Currency Index, within Options 4A, Section 2(h), as that reference is no longer necessary because the product is not available to be listed on ISE. References to Foreign Currency Index are also being removed from Options 3, Section 3, Minimum Trading Increments, at Supplementary

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<sup>3</sup> See Securities Exchange Act Release No. 84516 (November 1, 2018), 83 FR 55771 (November 7, 2018) (SR-ISE-2018-91) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Delete ISE Section 22 of the Rulebook Entitled “Rate-Modified Foreign Currency Options Rules”).

Material .04; Options 4A, Section 10(a); Options 4A, Section 11(a) and (c); Options 4A, Section 12(e)(1); and Options 6C, Section 3(e).

#### Other Obsolete Listings

The Exchange proposes to amend Options 4A, Section 2 at Supplementary Material .01; Options 4A, Section 6(a); Options 4A, Sections 12(a)(4),<sup>4</sup> (a)(5)(ii), (b)(2) and (c)(1); and Options 4A, Section 12 at Supplementary Material .06 to remove a list of index options contracts that are no longer listed on ISE and have no open interest. The Exchange also proposes to list the reporting authority for Mini Nasdaq 100 Index, which currently does not appear on the list of index options with reporting authorities. The reporting authority for the Mini Nasdaq 100 is The Nasdaq Stock Market.

#### Rulebook Harmonization

The Exchange recently harmonized its Rulebook in connection with other Nasdaq affiliated markets. The Exchange proposes to reserve sections General 9 and Options 4B and certain other rules<sup>5</sup> within the ISE Rulebook to represent the presence of rules in similar locations in other Nasdaq affiliated Rulebooks (e.g. Nasdaq Phlx LLC)<sup>6</sup>. The addition of these reserved sections will align the various Nasdaq affiliated market Rulebooks.

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<sup>4</sup> The Exchange is relocating and renumbering the remaining listings within Options 4A, Section 12.

<sup>5</sup> The Exchange proposes to reserve Options 2, Sections 11-14; Options 4A, Sections 17-21; Options 6, Sections 8-13; Options 6C, Section 7; and Options 9, Section 24.

<sup>6</sup> See Securities Exchange Act Release No. 88213 (February 14, 2020), 85 FR 9859 (February 20, 2020) (SR-Phlx-2020-03) (“Phlx Rulebook Relocation Rule Change”).

### Other Non-Substantive Amendments

The Exchange proposes to correct a typographical error within Options 6C, Section 4, Meeting Margin Calls by Liquidation Prohibited. The Exchange proposes to correct cross-references and numbering within Options 9, Section 4, Disruptive Quoting and Trading Activity Prohibited. Finally, the Exchange proposes to amend the names of certain securities which have been renamed within Options 9, Section 13 at Supplementary Material .01 and Options 9, Section 15 at Supplementary Material .01.

#### b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>7</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>8</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.

### Mini Options

The Exchange's proposal to removal references to the listing and handling of Mini Options is consistent with the Act because Mini Options have not been listed in several years and thereby removing the references to the rules would render the rules more accurate and reduce potential investor confusion. Also, the Exchange notes that it has no open interest in Mini Options. In the event that the Exchange desires to list Mini Options in the future, it would file a rule change with the Commission to adopt rules to list Mini Options.

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

<sup>8</sup> 15 U.S.C. 78f(b)(5).

### Foreign Currency Index

The Exchange's proposal to remove rules and references to the listing and handling of Foreign Currency Indexes is consistent with the Act because the listing rules for these products have been removed. Also, the Exchange notes that it has no open interest in Foreign Currency Indexes. In the event that the Exchange desires to list Foreign Currency Indexes in the future, it would file a rule change with the Commission.

### Other Obsolete Listings

The Exchange's proposal to remove obsolete index options listings within Options 4A, Section 2 at Supplementary Material .01; Options 4A, Section 6(a); Options 4A, Sections 12(a)(4),<sup>9</sup> (a)(5)(ii), (b)(2) and (c)(1); and Options 4A, Section 12 at Supplementary Material .06 is consistent with the Act. These index option listings have not been listed in some time and there is no open interest. In the event that the Exchange desires to list any of the removed index options listings in the future, it would file a rule change with the Commission. Further, the proposal to list the reporting authority for Mini Nasdaq 100 Index, which is The Nasdaq Stock Market, will bring greater transparency to the Exchange's Rules and provide investors with greater information about that index.

### Rulebook Harmonization

The Exchange's proposal to reserve new sections at General 9 and Options 4B within the Rulebook is a non-substantive amendment which aligns the numbering across Nasdaq affiliated Rulebooks to provide market participants with an ability to more readily locate rules.

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<sup>9</sup> The Exchange is relocating and renumbering the remaining listings within Options 4A, Section 12.



#### Other Non-Substantive Amendments

The Exchange's proposal to correct typographical errors, correct cross-references and numbering and amend names of securities are non-substantive. These amendments are intended to reduce investor confusion.

#### 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.

#### Mini Options

The Exchange's proposal to removal references to the listing and handling of Mini Options does not impose an undue burden on competition. Mini Options have not been listed in several years. Also, the Exchange notes that it has no open interest in Mini Options.

#### Foreign Currency Index

The Exchange's proposal to removal references to the listing and handling of Foreign Currency Indexes does not impose an undue burden on competition. Foreign Currency Indexes have not been listed in several years. Also, the Exchange notes that it has no open interest in Foreign Currency Indexes.

#### Other Obsolete Listings

The Exchange's proposal to remove obsolete index options listings within Options 4A, Section 2 at Supplementary Material .01; Options 4A, Section 6(a); Options 4A, Sections 12(a)(4),<sup>10</sup> (a)(5)(ii), (b)(2) and (c)(1); and Options 4A, Section 12 at

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<sup>10</sup> The Exchange is relocating and renumbering the remaining listings within Options 4A, Section 12.

Supplementary Material .06 does not impose an undue burden on competition. These index options listings have not been listed in some time and there is no open interest. Further, the proposal to list a reporting authority for Mini Nasdaq 100 Index, which is The Nasdaq Stock Market, will bring greater transparency to the Exchange's Rules.

#### Rulebook Harmonization

The Exchange's proposal to add reserved sections General 9 and Options 4B to the Rulebook is a non-substantive amendment which aligns the numbering across Nasdaq affiliated Rulebooks to provide market participants with an ability to more readily locate rules.

#### Other Non-Substantive Amendments

The Exchange's proposal to correct typographical errors, correct cross-references and numbering and amend names of securities are non-substantive amendments.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not Applicable.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)<sup>11</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>12</sup> in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii)

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange's proposal to remove Mini Options, Foreign Currency Indexes and other index options, and add reserved sections to the Rulebook are non-substantive amendments. Mini Options, Foreign Currency Indexes and other index options proposed herein for deletion have not been listed in several years. Removing the references to Mini Options, Foreign Currency Indexes and other index options proposed herein for deletion would render the rules more accurate and reduce potential investor confusion. Also, the Exchange notes that it has no open interest in Mini Options, Foreign Currency Indexes and other index options proposed herein for deletion. The remainder of the rule changes are non-substantive. The Exchange believes these amendments will enhance investor accessibility to the ISE and other Nasdaq affiliated Rulebooks.

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 has provided such notice.

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

11. Exhibits

1. Notice of Proposed Rule 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-2020-11)

March \_\_, 2020

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to the Removal of Obsolete Listing Rules

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 18, 2020, 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 its Rules at Options 2, Options Market Participants; Options 3, Section 2, Units of Trading and Meaning of Premium Quotes and Orders; Options 3, Section 3, Minimum Trading Increments; Options 4, Section 5, Series of Options Contracts Open for Trading; Options 4A, Section 2, Definitions; Options 4A, Section 6, Position Limits for Broad-Based Index Options; Options 4A, Section 8, Position Limits for Foreign Currency Index Options; Options 4A, Section 10, Exercise Limits; Options 4A, Section 11, Trading Sessions; Options 4A, Section 12, Terms of Index Options Contracts; Options 6, Options Trade Administration; Options 6C, Section

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

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

3, Margin Requirements; Options 6C, Section 4, Meeting Margin Calls by Liquidation Prohibited; Options 9, Section 4, Disruptive Quoting and Trading Activity Prohibited,; Options 9, Section 13, Position Limits; Options 9, Section 14, Exemptions from Position Limits; and Options 9, Section 15, Exercise Limits. Additionally, the Exchange proposes to add new sections at General 9 and Options 4B and reserve those sections.

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.

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 proposes to amend its Rules at Options 2, Options Market Participants; Options 3, Section 2, Units of Trading and Meaning of Premium Quotes and Orders; Options 3, Section 3, Minimum Trading Increments; Options 4, Section 5, Series of Options Contracts Open for Trading; Options 4A, Section 2, Definitions; Options 4A, Section 6, Position Limits for Broad-Based Index Options; Options 4A, Section 8, Position Limits for Foreign Currency Index Options; Options 4A, Section 10, Exercise Limits; Options 4A, Section 11, Trading Sessions; Options 4A, Section 12, Terms of

Index Options Contracts; Options 6, Options Trade Administration; Options 6C, Section 3, Margin Requirements; Options 6C, Section 4, Meeting Margin Calls by Liquidation Prohibited; Options 9, Section 4, Disruptive Quoting and Trading Activity Prohibited,; Options 9, Section 13, Position Limits; Options 9, Section 14, Exemptions from Position Limits; and Options 9, Section 15, Exercise Limits. Additionally, the Exchange proposes to add new sections at General 9 and Options 4B and reserve those sections. The various proposed changes will be discussed below.

### Mini Options

The Exchange has not listed Mini Options in several years and is proposing to delete Mini Options listing rules and other ancillary trading rules related to the listing of Mini Options. The Exchange notes that it has no open interest in Mini Options.

Specifically, the Exchange proposes to amend the following ISE Rules related to Mini Options by deleting references to Mini Options within these rules: Options 3, Section 2(d), Units of Trading and Meaning of Premium Quotes and Orders; Options 3, Section 3, Minimum Trading Increments, at Supplementary Material .03; Options 4, Section 5, Series of Options Contracts Open for Trading, at Supplementary Material .13; Options 9, Section 13, Position Limits. at Supplementary Material .03; and Options 9, Section 14, Exemptions From Position Limits.

### Foreign Currency Index

The Exchange removed<sup>3</sup> prior ISE Section 22, which was titled “Rate-Modified Foreign Currency Options Rules” and governed the listing and trading of foreign

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<sup>3</sup> See Securities Exchange Act Release No. 84516 (November 1, 2018), 83 FR 55771 (November 7, 2018) (SR-ISE-2018-91) (Notice of Filing and Immediate

currency options on ISE. At this time, the Exchange is removing Options 4A, Section 8, which is being reserved, as well as the definition of Foreign Currency Index, within Options 4A, Section 2(h), as that reference is no longer necessary because the product is not available to be listed on ISE. References to Foreign Currency Index are also being removed from Options 3, Section 3, Minimum Trading Increments, at Supplementary Material .04; Options 4A, Section 10(a); Options 4A, Section 11(a) and (c); Options 4A, Section 12(e)(1); and Options 6C, Section 3(e).

#### Other Obsolete Listings

The Exchange proposes to amend Options 4A, Section 2 at Supplementary Material .01; Options 4A, Section 6(a); Options 4A, Sections 12(a)(4),<sup>4</sup> (a)(5)(ii), (b)(2) and (c)(1); and Options 4A, Section 12 at Supplementary Material .06 to remove a list of index options contracts that are no longer listed on ISE and have no open interest. The Exchange also proposes to list the reporting authority for Mini Nasdaq 100 Index, which currently does not appear on the list of index options with reporting authorities. The reporting authority for the Mini Nasdaq 100 is The Nasdaq Stock Market.

#### Rulebook Harmonization

The Exchange recently harmonized its Rulebook in connection with other Nasdaq affiliated markets. The Exchange proposes to reserve sections General 9 and Options 4B

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Effectiveness of Proposed Rule Change To Delete ISE Section 22 of the Rulebook Entitled “Rate-Modified Foreign Currency Options Rules”).

<sup>4</sup> The Exchange is relocating and renumbering the remaining listings within Options 4A, Section 12.



and certain other rules<sup>5</sup> within the ISE Rulebook to represent the presence of rules in similar locations in other Nasdaq affiliated Rulebooks (e.g. Nasdaq Phlx LLC)<sup>6</sup>. The addition of these reserved sections will align the various Nasdaq affiliated market Rulebooks.

#### Other Non-Substantive Amendments

The Exchange proposes to correct a typographical error within Options 6C, Section 4, Meeting Margin Calls by Liquidation Prohibited. The Exchange proposes to correct cross-references and numbering within Options 9, Section 4, Disruptive Quoting and Trading Activity Prohibited. Finally, the Exchange proposes to amend the names of certain securities which have been renamed within Options 9, Section 13 at Supplementary Material .01 and Options 9, Section 15 at Supplementary Material .01.

#### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>7</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>8</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.

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<sup>5</sup> The Exchange proposes to reserve Options 2, Sections 11-14; Options 4A, Sections 17-21; Options 6, Sections 8-13; Options 6C, Section 7; and Options 9, Section 24.

<sup>6</sup> See Securities Exchange Act Release No. 88213 (February 14, 2020), 85 FR 9859 (February 20, 2020) (SR-Phlx-2020-03) (“Phlx Rulebook Relocation Rule Change”).

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

<sup>8</sup> 15 U.S.C. 78f(b)(5).

### Mini Options

The Exchange's proposal to removal references to the listing and handling of Mini Options is consistent with the Act because Mini Options have not been listed in several years and thereby removing the references to the rules would render the rules more accurate and reduce potential investor confusion. Also, the Exchange notes that it has no open interest in Mini Options. In the event that the Exchange desires to list Mini Options in the future, it would file a rule change with the Commission to adopt rules to list Mini Options.

### Foreign Currency Index

The Exchange's proposal to remove rules and references to the listing and handling of Foreign Currency Indexes is consistent with the Act because the listing rules for these products have been removed. Also, the Exchange notes that it has no open interest in Foreign Currency Indexes. In the event that the Exchange desires to list Foreign Currency Indexes in the future, it would file a rule change with the Commission.

### Other Obsolete Listings

The Exchange's proposal to remove obsolete index options listings within Options 4A, Section 2 at Supplementary Material .01; Options 4A, Section 6(a); Options 4A, Sections 12(a)(4),<sup>9</sup> (a)(5)(ii), (b)(2) and (c)(1); and Options 4A, Section 12 at Supplementary Material .06 is consistent with the Act. These index option listings have not been listed in some time and there is no open interest. In the event that the Exchange desires to list any of the removed index options listings in the future, it would file a rule change with the Commission. Further, the proposal to list the reporting authority for

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<sup>9</sup> The Exchange is relocating and renumbering the remaining listings within Options 4A, Section 12.

Mini Nasdaq 100 Index, which is The Nasdaq Stock Market, will bring greater transparency to the Exchange's Rules and provide investors with greater information about that index.

#### Rulebook Harmonization

The Exchange's proposal to reserve new sections at General 9 and Options 4B within the Rulebook is a non-substantive amendment which aligns the numbering across Nasdaq affiliated Rulebooks to provide market participants with an ability to more readily locate rules.

#### Other Non-Substantive Amendments

The Exchange's proposal to correct typographical errors, correct cross-references and numbering and amend names of securities are non-substantive. These amendments are intended to reduce investor confusion.

#### 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.

#### Mini Options

The Exchange's proposal to removal references to the listing and handling of Mini Options does not impose an undue burden on competition. Mini Options have not been listed in several years. Also, the Exchange notes that it has no open interest in Mini Options.

#### Foreign Currency Index

The Exchange's proposal to removal references to the listing and handling of Foreign Currency Indexes does not impose an undue burden on competition. Foreign

Currency Indexes have not been listed in several years. Also, the Exchange notes that it has no open interest in Foreign Currency Indexes.

#### Other Obsolete Listings

The Exchange's proposal to remove obsolete index options listings within Options 4A, Section 2 at Supplementary Material .01; Options 4A, Section 6(a); Options 4A, Sections 12(a)(4),<sup>10</sup> (a)(5)(ii), (b)(2) and (c)(1); and Options 4A, Section 12 at Supplementary Material .06 does not impose an undue burden on competition. These index options listings have not been listed in some time and there is no open interest. Further, the proposal to list a reporting authority for Mini Nasdaq 100 Index, which is The Nasdaq Stock Market, will bring greater transparency to the Exchange's Rules.

#### Rulebook Harmonization

The Exchange's proposal to add reserved sections General 9 and Options 4B to the Rulebook is a non-substantive amendment which aligns the numbering across Nasdaq affiliated Rulebooks to provide market participants with an ability to more readily locate rules.

#### Other Non-Substantive Amendments

The Exchange's proposal to correct typographical errors, correct cross-references and numbering and amend names of securities are non-substantive amendments.

#### 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.

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<sup>10</sup> The Exchange is relocating and renumbering the remaining listings within Options 4A, Section 12.

### 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>11</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>12</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 necessary or appropriate in the public interest, for the protection of investors, or 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>11</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>12</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-2020-11 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-2020-11. 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-2020-11 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>13</sup>

J. Matthew DeLesDernier  
Assistant Secretary

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<sup>13</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

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

**Nasdaq ISE Rules**

\* \* \* \* \*

**General 9 Reserved**

\* \* \* \* \*

**Options 2 Options Market Participants**

**Section 11. Reserved**

**Section 12. Reserved**

**Section 13. Reserved**

**Section 14. Reserved**

\* \* \* \* \*

**Options 3 Options Trading Rules**

\* \* \* \* \*

**Section 2. Units of Trading and Meaning of Premium Quotes and Orders**

\* \* \* \* \*

[(d) *Mini Options*. Bids and offers for an option contract overlying 10 shares shall be expressed in terms of dollars per 1/10th part of the total value of the contract. An offer of ".50" shall represent an offer of \$5.00 on an option contract having a unit of trading consisting of 10 shares]

**Section 3. Minimum Trading Increments**

\* \* \* \* \*

**Supplementary Material to Options 3, Section 3**

\* \* \* \* \*

.02 Notwithstanding any other provision of this Rule, the Exchange will permit foreign currency options [and options on a Foreign Currency Index] to be quoted and traded in one-cent increments.



[.03 Notwithstanding any other provision of this Rule, the minimum trading increment for Mini Options shall be determined in accordance with Supplementary Material .13(d) to Nasdaq ISE Options 4, Section 5.]

.03[.04] Notwithstanding any other provision of this Rule, complex strategies may be quoted and traded in the increments described in Options 3, Section 14(c)(1).

\* \* \* \* \*

#### **Options 4 Options Listing Rules**

\* \* \* \* \*

#### **Section 5. Series of Options Contracts Open for Trading**

\* \* \* \* \*

#### **Supplementary Material to Options 4, Section 5**

\* \* \* \* \*

[.13 *Mini Option Contracts.*

- (a) After an option class on a stock, Exchange-Traded Fund Share, Trust Issued Receipt, Exchange Traded Note, and other Index Linked Security with a 100 share deliverable has been approved for listing and trading on the Exchange, series of option contracts with a 10 share deliverable on that stock, Exchange-Traded Fund Share, Trust Issued Receipt, Exchange Traded Note, and other Index Linked Security may be listed for all expirations opened for trading on the Exchange. Mini Option contracts may currently be listed on SPDR S&P 500 ("SPY"), Apple Inc. ("AAPL"), SPDR Gold Trust ("GLD"), Google Inc. ("GOOGL") and Amazon.com Inc. ("AMZN").
- (b) Strike prices for Mini Options shall be set at the same level as for regular options. For example, a call series strike price to deliver 10 shares of stock at \$125 per share has a total deliverable value of \$1250, and the strike price will be set at 125.
- (c) No additional series of Mini Options may be added if the underlying security is trading at \$90 or less. The underlying security must trade above \$90 for five consecutive days prior to listing Mini Options contracts in an additional expiration month.
- (d) The minimum trading increment for Mini Options shall be the same as the minimum trading increment permitted for standard options on the same underlying security. For example, if a security participates in the Penny Pilot Program, Mini Options in the same underlying security may be quoted and traded in the same minimum increments, e.g., \$0.01 for all quotations in series that are quoted at less

than \$3 per contract and \$0.05 for all quotations in series that are quoted at \$3 per contract or greater, \$0.01 for all SPY option series.

- (e) Exchange Rules that have a minimum contract threshold shall be adjusted for Mini Options by a multiple of ten (10) and shall be as follows: (i) a block-size order in Mini Options for execution in the Block Order Mechanism must be for 500 or more Mini Option contracts; (ii) Mini Options executed in the Solicited Order Mechanism must be for 5,000 or more Mini Option contracts; and (iii) a Qualified Contingent Cross Order in Mini Options must be comprised of an originating order to buy or sell at least 10,000 Mini Option contracts coupled with a contra-side order or orders totaling an equal number of Mini Option contracts.]

.13[.14] Notwithstanding any other provision regarding the interval of strike prices of series of options on Exchange-Traded Fund Shares in this Rule, the interval of strike prices on SPDR S&P 500 ETF ("SPY"), iShares Core S&P 500 ETF ("IVV"), PowerShares QQQ Trust ("QQQ"), iShares Russell 2000 Index Fund ("IWM"), and the SPDR Dow Jones Industrial Average ETF ("DIA") options will be \$1 or greater.

\* \* \* \* \*

**Options 4A Options Index Rules**

\* \* \* \* \*

**Section 2. Definitions**

(a) – (g) No change.

(h) Reserved. [The term "Foreign Currency Index" means an index designed to track the performance of a basket of currencies, as provided in the table in Nasdaq ISE Options 4A, Section 8]

\* \* \* \* \*

**Supplementary Material to Options 4A, Section 2**

.01 The reporting authorities designated by the Exchange in respect of each index underlying an index options contract traded on the Exchange are as provided in the chart below.

<b>Underlying Index</b>	<b>Reporting Authority</b>
[S&P SmallCap 600 Index	Standard & Poor's
Morgan Stanley Technology Index	American Stock Exchange
S&P MidCap 400 Index	Standard & Poor's
S&P 1000 Index	Standard & Poor's]
Nasdaq 100 Index	The Nasdaq Stock Market

<u>Nasdaq 100 Reduced Value Index</u>	<u>The Nasdaq Stock Market</u>
<u>Mini Nasdaq 100 Index</u>	<u>The Nasdaq Stock Market</u>
[Russell 3000 Index	Frank Russell Company
Russell 3000 Value Index	Frank Russell Company
Russell 3000 Growth Index	Frank Russell Company
Russell 2500 Index	Frank Russell Company
Russell 2500 Value Index	Frank Russell Company
Russell 2500 Growth Index	Frank Russell Company
Russell 2000 Index	Frank Russell Company
Russell 2000 Value Index	Frank Russell Company
Russell 2000 Growth Index	Frank Russell Company
Russell 1000 Index	Frank Russell Company
Russell 1000 Value Index	Frank Russell Company
Russell 1000 Growth Index	Frank Russell Company
Russell Top 200 Index	Frank Russell Company
Russell Top 200 Value Index	Frank Russell Company
Russell Top 200 Growth Index	Frank Russell Company
Russell MidCap Index	Frank Russell Company
Russell MidCap Value Index	Frank Russell Company
Russell MidCap Growth Index	Frank Russell Company
Russell Small Cap Completeness Index	Frank Russell Company
Russell Small Cap Completeness Value Index	Frank Russell Company
Russell Small Cap Completeness Growth Index	Frank Russell Company
NYSE U.S. 100 Index	New York Stock Exchange and Dow Jones & Company
NYSE International 100 Index	New York Stock Exchange and Dow Jones & Company
NYSE World Leaders Index	New York Stock Exchange and Dow Jones & Company
NYSE TMT Index	New York Stock Exchange and Dow Jones & Company
ISE-CCM Homeland Security Index	Nasdaq ISE
ISE Oil & Gas Services Index	Nasdaq ISE
ISE Semiconductors Index	Nasdaq ISE
ISE Gold Index	Nasdaq ISE
ISE Homebuilders Index	Nasdaq ISE
ISE 250 Index	Nasdaq ISE and Standard & Poor's

ISE 100 Index	Nasdaq ISE and Standard & Poor's
ISE 50 Index	Nasdaq ISE and Standard & Poor's
ISE U.S. Regional Banks Index	Nasdaq ISE
ISE SINdex	Nasdaq ISE
ISE Bio-Pharmaceuticals Index	Nasdaq ISE
ISE Water Index	Nasdaq ISE
ISE-CCM Alternative Energy Index	Nasdaq ISE
ISE-CCM Nanotechnology Index	Nasdaq ISE
FTSE 100 Index	FTSE International Limited
FTSE 250 Index	FTSE International Limited
ISE-Revere Natural Gas Index	Nasdaq ISE]
KBW Bank Index	Keefe, Bruyette & Woods, Inc.
[ISE Integrated Oil and Gas Index	Nasdaq ISE
ISE-Revere Wal-Mart Supplier Index	Nasdaq ISE
KBW Mortgage Finance Index	Keefe, Bruyette & Woods, Inc.
ISE Electronic Trading Index	Nasdaq ISE
NASDAQ Q-50 Index	The Nasdaq Stock Market
Morgan Stanley Retail Index	Morgan Stanley & Co. Incorporated
DAX Index	Deutsche Bourse AG Dow Jones FXCM
Dollar Index	S&P Dow Jones Indices]
Nations VolDex Index	Nasdaq ISE

\* \* \* \* \*

### **Section 6. Position Limits for Broad-Based Index Options**

(a) Options 9, Section 13 generally shall govern position limits for broad-based index options, as modified by this Options 4A, Section 6. There may be no position limit for certain Specified (as provided in Options [§]4A, Section 1) broad-based index options contracts. Except as otherwise indicated below, the position limit for a broad-based index option shall be 25,000 contracts on the same side of the market. Reduced-value options on broad-based security indexes for which full-value options have no position and exercise limits will similarly have no position and exercise limits. All other broad-based index options contracts shall be subject to a contract limitation fixed by the Exchange, which shall not be larger than the limits provided in the chart below.

<b>Broad-Based Underlying Index</b>	<b>Standard Limit (on the same side of the market)</b>	<b>Restrictions</b>
-------------------------------------	--------------------------------------------------------	---------------------

[S&P SmallCap 600 Index	100,000 contracts	No more than 60,000 near-term
S&P MidCap 400 Index	45,000 contracts	No more than 25,000 near-term
Reduced Value S&P 1000 Index	50,000 contracts	No more than 30,000 near-term
Micro S&P 1000 Index	500,000 contracts	No more than 300,000 near-term]
Nasdaq 100 Index	None	None
Mini Nasdaq 100 Index	None	None
[Russell 3000 Index	50,000 contracts	No more than 30,000 near-term
Mini Russell 3000 Index	500,000 contracts	No more than 300,000 near-term
Russell 3000 Value Index	50,000 contracts	No more than 30,000 near-term
Mini Russell 3000 Value Index	500,000 contracts	No more than 300,000 near-term
Russell 3000 Growth Index	50,000 contracts	No more than 30,000 near-term
Mini Russell 3000 Growth Index	500,000 contracts	No more than 300,000 near-term
Russell 2500 Index	50,000 contracts	No more than 30,000 near-term
Mini Russell 2500 Index	500,000 contracts	No more than 300,000 near-term
Russell 2500 Value Index	50,000 contracts	No more than 30,000 near-term
Mini Russell 2500 Value Index	500,000 contracts	No more than 300,000 near-term
Russell 2500 Growth Index	50,000 contracts	No more than 30,000 near-term
Mini Russell 2500 Growth Index	500,000 contracts	No more than 300,000 near-term
Russell 2000 Index	None	None
Mini Russell 2000 Index	None	None
Russell 2000 Value Index	50,000 contracts	No more than 30,000 near-term
Mini Russell 2000 Value Index	500,000 contracts	No more than 300,000 near-term
Russell 2000 Growth Index	50,000 contracts	No more than 30,000

		near-term
Mini Russell 2000 Growth Index	500,000 contracts	No more than 300,000
		near-term
Russell 1000 Index	50,000 contracts	No more than 30,000
		near-term
Mini Russell 1000 Index	500,000 contracts	No more than 300,000
		near-term
Russell 1000 Value Index	50,000 contracts	No more than 30,000
		near-term
Mini Russell 1000 Value Index	500,000 contracts	No more than 300,000
		near-term
Russell 1000 Growth Index	50,000 contracts	No more than 30,000
		near-term
Mini Russell 1000 Growth Index	500,000 contracts	No more than 300,000
		near-term
Russell Top 200 Index	50,000 contracts	No more than 30,000
		near-term
Mini Russell Top 200 Index	500,000 contracts	No more than 300,000
		near-term
Russell Top 200 Value Index	50,000 contracts	No more than 30,000
		near-term
Mini Russell Top 200 Value Index	500,000 contracts	No more than 300,000
		near-term
Russell Top 200 Growth Index	50,000 contracts	No more than 30,000
		near-term
Mini Russell Top 200 Growth Index	500,000 contracts	No more than 300,000
		near-term
Russell MidCap Index	50,000 contracts	No more than 30,000
		near-term
Mini Russell MidCap Index	500,000 contracts	No more than 300,000
		near-term
Russell MidCap Value Index	50,000 contracts	No more than 30,000
		near-term
Mini Russell MidCap Value Index	500,000 contracts	No more than 300,000
		near-term
Russell MidCap Growth Index	50,000 contracts	No more than 30,000
		near-term
Mini Russell MidCap Growth Index	500,000 contracts	No more than 300,000
		near-term
Russell Small Cap Completeness Index	50,000 contracts	No more than 30,000
		near-term
Mini Russell Small Cap	500,000 contracts	No more than 300,000

Completeness Index		near-term
Russell Small Cap Completeness Value Index	50,000 contracts	No more than 30,000 near-term
Mini Russell Small Cap Completeness Value Index	500,000 contracts	No more than 300,000 near-term
Russell Small Cap Completeness Growth Index	50,000 contracts	No more than 30,000 near-term
Mini Russell Small Cap Completeness Growth Index	500,000 contracts	No more than 300,000 near-term
Mini NYSE U.S. 100 Index	50,000 contracts	No more than 30,000 near-term
Micro NYSE U.S. 100 Index	500,000 contracts	No more than 300,000 near-term
Mini NYSE International 100 Index	50,000 contracts	No more than 30,000 near-term
Micro NYSE International 100 Index	500,000 contracts	No more than 300,000 near-term
Mini NYSE World Leaders Index	50,000 contracts	No more than 30,000 near-term
Micro NYSE World Leaders Index	500,000 contracts	No more than 300,000 near-term
ISE 250 Index	50,000 contracts	No more than 30,000 near-term
Mini ISE 250 Index	500,000 contracts	No more than 300,000 near-term
ISE 100 Index	50,000 contracts	No more than 30,000 near-term
Mini ISE 100 Index	500,000 contracts	No more than 300,000 near-term
ISE 50 Index	50,000 contracts	No more than 30,000 near-term
Mini ISE 50 Index	500,000 contracts	No more than 300,000 near-term
FTSE 100 Index	25,000 contracts	No more than 15,000 near-term
Mini FTSE 100 Index	250,000 contracts	No more than 150,000 near-term
Micro FTSE 100 Index	2,500,000 contracts	No more than 1,500,000 near-term
FTSE 250 Index	25,000 contracts	No more than 15,000 near-term
Mini FTSE 250 Index	250,000 contracts	No more than 150,000

Micro FTSE 250 Index	2,500,000 contracts	near-term No more than 1,500,000 near-term
Mini DAX Index	250,000 contracts	No more than 150,000 near-term]
Nations VolDex Index	None	None
Nasdaq 100 Reduced Value Index	None	None

\* \* \* \* \*

**Section 8. Reserved.[Position Limits for Foreign Currency Index Options**

(a) Option contracts on a Foreign Currency Index shall be subject to the following position limits:

<b>Foreign Currency Index</b>	<b>Standard Limit (on the same side of the market)</b>	<b>Restrictions</b>
Dow Jones FXCM Dollar Index	600,000 contracts	No more than 300,000 near-term]

\* \* \* \* \*

**Section 10. Exercise Limits**

(a) In determining compliance with Options 9, Section 15, exercise limits for index options contracts[, including for options on a Foreign Currency Index,] shall be equivalent to the position limits prescribed for options contracts with the nearest expiration date in Options 4A, Sections 6, 7 or 8. There may be no exercise limits for Specified (as provided in Options 4A, Section 1) broad-based index options.

\* \* \* \* \*

**Section 11. 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.

\* \* \* \* \*

(c) *Instituting Halts and Suspensions.* Trading on the Exchange in any index option shall be halted or suspended whenever trading in underlying securities whose weighted value represents more than twenty percent (20%), in the case of a broad based index, and ten



percent (10%) for all other indices, of the index value is halted or suspended. An Exchange official designated by the Board also may halt trading in an index option[, including in options on a Foreign Currency Index,] when, in his or her judgment, such action is appropriate in the interests of a fair and orderly market and to protect investors. Among the facts that may be considered are the following:

- (1) whether all trading has been halted or suspended in the market that is the primary market for a plurality of the underlying stocks[, or in the case of a Foreign Currency Index,] in the underlying foreign currency market;
- (2) whether the current calculation of the index derived from the current market prices of the stocks is not available[, or in the case of the a Foreign Currency Index,] the current prices of the underlying foreign currency is not available;

\* \* \* \* \*

## **Section 12. Terms of Index Options Contracts**

### **(a) General.**

- (1) *Meaning of Premium Bids and Offers.* Bids and offers shall be expressed in terms of dollars and cents per unit of the index.
- (2) *Exercise Prices.* The Exchange shall determine fixed-point intervals of exercise prices for call and put options.
- (3) *Expiration Months and Weeks.* Index options contracts may expire at three (3)-month intervals or in consecutive weeks or months. The Exchange may list: (i) up to six (6) standard monthly expirations at any one time in a class, but will not list index options that expire more than twelve (12) months out; (ii) up to 12 standard monthly expirations at any one time for any class that the Exchange (as the Reporting Authority) uses to calculate a volatility index; and (iii) up to 12 standard (monthly) expirations in NDX options.
- (4) *"European-Style Exercise."* The following European-style index options, some of which may be A.M.-settled as provided in paragraph (a)(5), are approved for trading on the Exchange:

[(i) S&P SmallCap 600 Index

(ii) Morgan Stanley Technology Index

(iii) S&P MidCap 400 Index

(iv) Reduced Value S&P 1000 Index

(v) Micro S&P 1000 Index]

- [(vi)](i) Full-size Nasdaq 100 Index
- (ii) Nasdaq 100 Reduced Value Index
- [(vii)](iii) Mini Nasdaq 100 Index
- [(viii) Russell 3000 Index
- (ix) Mini Russell 3000 Index
- (x) Russell 3000 Value Index
- (xi) Mini Russell 3000 Value Index
- (xii) Russell 3000 Growth Index
- (xiii) Mini Russell 3000 Growth Index
- (xiv) Russell 2500 Index
- (xv) Mini Russell 2500 Index
- (xvi) Russell 2500 Value Index
- (xvii) Mini Russell 2500 Value Index
- (xviii) Russell 2500 Growth Index
- (xix) Mini Russell 2500 Growth Index
- (xx) Russell 2000 Index
- (xxi) Mini Russell 2000 Index
- (xxii) Russell 2000 Value Index
- (xxiii) Mini Russell 2000 Value Index
- (xxiv) Russell 2000 Growth Index
- (xxv) Mini Russell 2000 Growth Index
- (xxvi) Russell 1000 Index
- (xxvii) Mini Russell 1000 Index

- (xxviii) Russell 1000 Value Index
- (xxix) Mini Russell 1000 Value Index
- (xxx) Russell 1000 Growth Index
- (xxxi) Mini Russell 1000 Growth Index
- (xxxii) Russell Top 200 Index
- (xxxiii) Mini Russell Top 200 Index
- (xxxiv) Russell Top 200 Value Index
- (xxxv) Mini Russell Top 200 Value Index
- (xxxvi) Russell Top 200 Growth Index
- (xxxvii) Mini Russell Top 200 Growth Index
- (xxxviii) Russell MidCap Index
- (xxxix) Mini Russell MidCap Index
- (xl) Russell MidCap Value Index
- (xli) Mini Russell MidCap Value Index
- (xlii) Russell MidCap Growth Index
- (xliii) Mini Russell MidCap Growth Index
- (xliv) Russell Small Cap Completeness Index
- (xlv) Mini Russell Small Cap Completeness Index
- (xlvi) Russell Small Cap Completeness Value Index
- (xlvii) Mini Russell Small Cap Completeness Value Index
- (xlviii) Russell Small Cap Completeness Growth Index
- (xlix) Mini Russell Small Cap Completeness Growth Index
- (l) Mini NYSE U.S. 100 Index

- (li) Micro NYSE U.S. 100 Index
- (lii) Mini NYSE International 100 Index
- (liii) Micro NYSE International 100 Index
- (liv) Mini NYSE World Leaders Index
- (lv) Micro NYSE World Leaders Index
- (lvi) Mini NYSE TMT Index
- (lvii) Micro NYSE TMT Index
- (lviii) ISE-CCM Homeland Security Index
- (lix) ISE Oil & Gas Services Index
- (lx) ISE Semiconductors Index
- (lxi) ISE Gold Index
- (lxii) ISE Homebuilders Index
- (lxiii) ISE 250 Index
- (lxiv) Mini ISE 250 Index
- (lxv) ISE 100 Index
- (lxvi) Mini ISE 100 Index
- (lxvii) ISE 50 Index
- (lxviii) Mini ISE 50 Index
- (lxix) ISE U.S. Regional Banks Index
- (lxx) ISE SINDEX
- (lxxi) ISE Bio-Pharmaceuticals Index
- (lxxii) ISE Water Index
- (lxxiii) ISE-CCM Alternative Energy Index

- (lxxiv) ISE-CCM Nanotechnology Index
- (lxxv) FTSE 100 Index
- (lxxvi) Mini FTSE 100 Index
- (lxxvii) Micro FTSE 100 Index
- (lxxviii) FTSE 250 Index
- (lxxix) Mini FTSE 250 Index
- (lxxx) Micro FTSE 250 Index
- (lxxxi) ISE-Revere Natural Gas Index]
- [(lxxxii)](iv) KBW Bank Index
- [(lxxxiii) ISE Integrated Oil and Gas Index
- (lxxxiv) ISE-Revere Wal-Mart Supplier Index
- (lxxxv) KBW Mortgage Finance Index
- (lxxxvi) ISE Electronic Trading Index
- (lxxxvii) NASDAQ Q-50 Index
- (lxxxviii) Morgan Stanley Retail Index
- (lxxxix) Mini DAX Index
- (xc) Dow Jones FXCM Dollar Index.]
- [(xci)](v) Nations VolDex Index
- [(xcii) Nasdaq 100 Reduced Value Index]

(5) *A.M.-Settled Index Options.* The last day of trading for A.M.-settled index options shall be the business day preceding the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, the business day preceding the last day of trading in the underlying securities prior to the expiration date. The current index value at the expiration of an A.M.-settled index option shall be determined, for all purposes under these Rules and the Rules of the Clearing Corporation, on the last day of trading in the underlying securities prior to expiration, by reference to the reported level of such index as

derived from first reported sale (opening) prices of the underlying securities on such day, except that:

- (i) In the event that the primary market for an underlying security does not open for trading on that day, the price of that security shall be determined, for the purposes of calculating the current index value at expiration, as set forth in Options 4A, Section 11(g), unless the current index value at expiration is fixed in accordance with the Rules and By-Laws of the Clearing Corporation; and
- (ii) In the event that the primary market for an underlying security is open for trading on that day, but that particular security does not open for trading on that day, the price of that security, for the purposes of calculating the current index value at expiration, shall be the last reported sale price of the security.

The following A.M.-settled index options that are approved for trading on the Exchange:

- [(i) S&P SmallCap 600 Index
- (ii) Morgan Stanley Technology Index
- (iii) S&P MidCap 400 Index
- (iv) Reduced Value S&P 1000 Index
- (v) Micro S&P 1000 Index
- (vi)](i) Full-size Nasdaq 100 Index
- [(vii)](ii) Mini Nasdaq 100 Index
- [(viii) Russell 3000 Index
- (ix) Mini Russell 3000 Index
- (x) Russell 3000 Value Index
- (xi) Mini Russell 3000 Value Index
- (xii) Russell 3000 Growth Index
- (xiii) Mini Russell 3000 Growth Index
- (xiv) Russell 2500 Index
- (xv) Mini Russell 2500 Index

- (xvi) Russell 2500 Value Index
- (xvii) Mini Russell 2500 Value Index
- (xviii) Russell 2500 Growth Index
- (xix) Mini Russell 2500 Growth Index
- (xx) Russell 2000 Index
- (xxi) Mini Russell 2000 Index
- (xxii) Russell 2000 Value Index
- (xxiii) Mini Russell 2000 Value Index
- (xxiv) Russell 2000 Growth Index
- (xxv) Mini Russell 2000 Growth Index
- (xxvi) Russell 1000 Index
- (xxvii) Mini Russell 1000 Index
- (xxviii) Russell 1000 Value Index
- (xxix) Mini Russell 1000 Value Index
- (xxx) Russell 1000 Growth Index
- (xxxi) Mini Russell 1000 Growth Index
- (xxxii) Russell Top 200 Index
- (xxxiii) Mini Russell Top 200 Index
- (xxxiv) Russell Top 200 Value Index
- (xxxv) Mini Russell Top 200 Value Index
- (xxxvi) Russell Top 200 Growth Index
- (xxxvii) Mini Russell Top 200 Growth Index
- (xxxviii) Russell MidCap Index

- (xxxix) Mini Russell MidCap Index
- (xl) Russell MidCap Value Index
- (xli) Mini Russell MidCap Value Index
- (xlii) Russell MidCap Growth Index
- (xliii) Mini Russell MidCap Growth Index
- (xliv) Russell Small Cap Completeness Index
- (xlv) Mini Russell Small Cap Completeness Index
- (xlvi) Russell Small Cap Completeness Value Index
- (xlvii) Mini Russell Small Cap Completeness Value Index
- (xlviii) Russell Small Cap Completeness Growth Index
- (xlix) Mini Russell Small Cap Completeness Growth Index
- (l) Mini NYSE U.S. 100 Index
- (li) Micro NYSE U.S. 100 Index
- (lii) Mini NYSE International 100 Index
- (liii) Micro NYSE International 100 Index
- (liv) Mini NYSE World Leaders Index
- (lv) Micro NYSE World Leaders Index
- (lvi) Mini NYSE TMT Index
- (lvii) Micro NYSE TMT Index
- (lviii) ISE-CCM Homeland Security Index
- (lix) ISE Oil & Gas Services Index
- (lx) ISE Semiconductors Index
- (lxi) ISE Gold Index



- (lxii) ISE Homebuilders Index
- (lxiii) ISE 250 Index
- (lxiv) Mini ISE 250 Index
- (lxv) ISE 100 Index
- (lxvi) Mini ISE 100 Index
- (lxvii) ISE 50 Index
- (lxviii) Mini ISE 50 Index
- (lxix) ISE U.S. Regional Banks Index
- (lxx) ISE SINDEX
- (lxxi) ISE Bio-Pharmaceuticals Index
- (lxxii) ISE Water Index
- (lxxiii) ISE-CCM Alternative Energy Index
- (lxxiv) ISE-CCM Nanotechnology Index
- (lxxv) FTSE 100 Index
- (lxxvi) Mini FTSE 100 Index
- (lxxvii) Micro FTSE 100 Index
- (lxxviii) FTSE 250 Index
- (lxxix) Mini FTSE 250 Index
- (lxxx) Micro FTSE 250 Index
- (lxxxii) ISE-Revere Natural Gas Index]
- [(lxxxii)](iii) KBW Bank Index
- [(lxxxiii) ISE Integrated Oil and Gas Index
- (lxxxiv) ISE-Revere Wal-Mart Supplier Index

(lxxxv) KBW Mortgage Finance Index

(lxxxvi) ISE Electronic Trading Index

(lxxxvii) NASDAQ Q-50 Index

(lxxxviii) Morgan Stanley Retail Index

(lxxxix) Mini DAX Index]

[(xc)](iv) Nations VolDex Index

- (6) In addition to A.M.-settled Nasdaq-100 Index options approved for trading on the Exchange pursuant to Options 4A, Section 12(a)(5), the Exchange may also list options on the Nasdaq 100 Reduced Value Index ("NQX") whose exercise settlement value is derived from closing prices on the expiration day ("P.M.-settled"). NQX options will be listed for trading for a pilot period expiring on May 4, 2020.

*(b) Long-Term Index Options Series.*

- (1) Notwithstanding the provisions of paragraph (a)(3), above, the Exchange may list long-term index options series that expire from twelve (12) to sixty (60) months from the date of issuance.
- (i) Index long term options series may be based on either the full or reduced value of the underlying index. There may be up to ten (10) expiration months, none further out than sixty (60) months. Strike price interval, bid/ask differential and continuity Rules shall not apply to such options series until the time to expiration is less than twelve (12) months.
- (ii) When a new Index long term options series is listed, such series will be opened for trading either when there is buying or selling interest, or forty (40) minutes prior to the close, whichever occurs first. No quotations will be posted for such options series until they are opened for trading.

*(2) Reduced-Value Long Term Options Series.*

- (i) Reduced-value long term options series on the following stock indices are approved for trading on the Exchange:

[(A) S&P SmallCap 600 Index

(B) Morgan Stanley Technology Index

(C) S&P MidCap 400 Index]

[(D)](A) Nasdaq 100 Index

- (ii) Expiration Months. Reduced-value long term options series may expire at six-month intervals. When a new expiration month is listed, series may be near or bracketing the current index value. Additional series may be added when the value of the underlying index increases or decreases by ten (10) to fifteen (15) percent.

(c) *Procedures for Adding and Deleting Strike Prices.*

The procedures for adding and deleting strike prices for index options are provided in Options 4, Section 5, as amended by the following:

- (1) The interval between strike prices will be no less than \$5.00; provided, that in the case of the following classes of index options, the interval between strike prices will be no less than \$2.50:

- [(i) S&P SmallCap 600, if the strike price is less than \$200.00
- (ii) Morgan Stanley Technology Index, if the strike price is less than \$200.00
- (iii) S&P MidCap 400 Index, if the strike price is less than \$200.00
- (iv) Reduced Value S&P 1000 Index, if the strike price is less than \$200.00
- (v) Micro S&P 1000 Index, if the strike price is less than \$200.00]
- [(vi)](i) Full-size Nasdaq 100 Index, if the strike price is less than \$200.00
- (ii) Nasdaq 100 Reduced Value Index, if the strike price is less than \$200.00
- [(vii)](iii) Mini Nasdaq 100 Index, if the strike price is less than \$200.00
- [(viii) Russell 3000 Index, if the strike price is less than \$200.00
- (ix) Mini Russell 3000 Index, if the strike price is less than \$200.00
- (x) Russell 3000 Value Index, if the strike price is less than \$200.00
- (xi) Mini Russell 3000 Value Index, if the strike price is less than \$200.00
- (xii) Russell 3000 Growth Index, if the strike price is less than \$200.00
- (xiii) Mini Russell 3000 Growth Index, if the strike price is less than \$200.00
- (xiv) Russell 2500 Index, if the strike price is less than \$200.00

- (xv) Mini Russell 2500 Index, if the strike price is less than \$200.00
- (xvi) Russell 2500 Value Index, if the strike price is less than \$200.00
- (xvii) Mini Russell 2500 Value Index, if the strike price is less than \$200.00
- (xviii) Russell 2500 Growth Index, if the strike price is less than \$200.00
- (xix) Mini Russell 2500 Growth Index, if the strike price is less than \$200.00
- (xx) Russell 2000 Index, if the strike price is less than \$200.00
- (xxi) Mini Russell 2000 Index, if the strike price is less than \$200.00
- (xxii) Russell 2000 Value Index, if the strike price is less than \$200.00
- (xxiii) Mini Russell 2000 Value Index, if the strike price is less than \$200.00
- (xxiv) Russell 2000 Growth Index, if the strike price is less than \$200.00
- (xxv) Mini Russell 2000 Growth Index, if the strike price is less than \$200.00
- (xxvi) Russell 1000 Index, if the strike price is less than \$200.00
- (xxvii) Mini Russell 1000 Index, if the strike price is less than \$200.00
- (xxviii) Russell 1000 Value Index, if the strike price is less than \$200.00
- (xxix) Mini Russell 1000 Value Index, if the strike price is less than \$200.00
- (xxx) Russell 1000 Growth Index, if the strike price is less than \$200.00
- (xxxi) Mini Russell 1000 Growth Index, if the strike price is less than \$200.00
- (xxxii) Russell Top 200 Index, if the strike price is less than \$200.00
- (xxxiii) Mini Russell Top 200 Index, if the strike price is less than \$200.00
- (xxxiv) Russell Top 200 Value Index, if the strike price is less than \$200.00
- (xxxv) Mini Russell Top 200 Value Index, if the strike price is less than \$200.00
- (xxxvi) Russell Top 200 Growth Index, if the strike price is less than \$200.00
- (xxxvii) Mini Russell Top 200 Growth Index, if the strike price is less than \$200.00

- (xxxviii) Russell MidCap Index, if the strike price is less than \$200.00
- (xxxix) Mini Russell MidCap Index, if the strike price is less than \$200.00
- (xl) Russell MidCap Value Index, if the strike price is less than \$200.00
- (xli) Mini Russell MidCap Value Index, if the strike price is less than \$200.00
- (xlii) Russell MidCap Growth Index, if the strike price is less than \$200.00
- (xliii) Mini Russell MidCap Growth Index, if the strike price is less than \$200.00
- (xliv) Russell Small Cap Completeness Index, if the strike price is less than \$200.00
- (xlv) Mini Russell Small Cap Completeness Index, if the strike price is less than \$200.00
- (xlvi) Russell Small Cap Completeness Value Index, if the strike price is less than \$200.00
- (xlvii) Mini Russell Small Cap Completeness Value Index, if the strike price is less than \$200.00
- (xlviii) Russell Small Cap Completeness Growth Index, if the strike price is less than \$200.00
- (xlix) Mini Russell Small Cap Completeness Growth Index, if the strike price is less than \$200.00
- (l) Mini NYSE U.S. 100 Index, if the strike price is less than \$200.00
- (li) Micro NYSE U.S. 100 Index, if the strike price is less than \$200.00
- (lii) Mini NYSE International 100 Index, if the strike price is less than \$200.00
- (liii) Micro NYSE International 100 Index, if the strike price is less than \$200.00
- (liv) Mini NYSE World Leaders Index, if the strike price is less than \$200.00
- (lv) Micro NYSE World Leaders Index, if the strike price is less than \$200.00
- (lvi) Mini NYSE TMT Index, if the strike price is less than \$200.00
- (lvii) Micro NYSE TMT Index, if the strike price is less than \$200.00

- (lviii) ISE-CCM Homeland Security Index, if the strike price is less than \$200.00
- (lix) ISE Oil & Gas Services Index, if the strike price is less than \$200.00
- (lx) ISE Semiconductors Index, if the strike price is less than \$200.00
- (lxi) ISE Gold Index, if the strike price is less than \$200.00
- (lxii) ISE Homebuilders Index, if the strike price is less than \$200.00
- (lxiii) ISE 250 Index, if the strike price is less than \$200.00
- (lxiv) Mini ISE 250 Index, if the strike price is less than \$200.00
- (lxv) ISE 100 Index, if the strike price is less than \$200.00
- (lxvi) Mini ISE 100 Index, if the strike price is less than \$200.00
- (lxvii) ISE 50 Index, if the strike price is less than \$200.00
- (lxviii) Mini ISE 50 Index, if the strike price is less than \$200.00
- (lix) ISE U.S. Regional Banks Index, if the strike price is less than \$200.00
- (lxx) ISE SINDEX, if the strike price is less than \$200.00
- (lxxi) ISE Bio-Pharmaceuticals Index, if the strike price is less than \$200.00
- (lxxii) ISE Water Index, if the strike price is less than \$200.00
- (lxxiii) ISE-CCM Alternative Energy Index, if the strike price is less than \$200.00
- (lxxiv) ISE-CCM Nanotechnology Index, if the strike price is less than \$200.00
- (lxxv) FTSE 100 Index, if the strike price is less than \$200.00
- (lxxvi) Mini FTSE 100 Index, if the strike price is less than \$200.00
- (lxxvii) Micro FTSE 100 Index, if the strike price is less than \$200.00
- (lxxviii) FTSE 250 Index, if the strike price is less than \$200.00
- (lxxix) Mini FTSE 250 Index, if the strike price is less than \$200.00
- (lxxx) Micro FTSE 250 Index, if the strike price is less than \$200.00

- (lxxxix) ISE-Revere Natural Gas Index, if the strike price is less than \$200.00]
- [(lxxxii)](iv) KBW [b]Bank Index, if the strike price is less than \$200.00
- [(lxxxiii) ISE Integrated Oil and Gas Index, if the strike price is less than \$200.00
- (lxxxiv) ISE-Revere Wal-Mart Supplier Index, if the strike price is less than \$200.00
- (lxxxv) KBW Mortgage Finance Index, if the strike price is less than \$200.00
- (lxxxvi) ISE Electronic Trading Index, if the strike price is less than \$200.00
- (lxxxvii) NASDAQ Q-50 Index, if the strike price is less than \$200.00
- (lxxxviii) Morgan Stanley Retail Index, if the strike price is less than \$200.00
- (lxxxix) Mini DAX Index, if the strike price is less than \$200.00
- (xc) Dow Jones FXCM Dollar Index, if the strike price is less than \$200.00]
- [(xci)](v) Nations VolDex Index, if the strike price is less than \$200.00
- [(xcii) Nasdaq 100 Reduced Value Index, if the strike price is less than \$200.00]

\* \* \* \* \*

(e) *Index Values for Settlement.* The Rules of the Clearing Corporation specify that, unless the Rules of the Exchange provide otherwise, the current index value used to settle the exercise of an index options contract shall be the closing index for the day on which the index options contract is exercised in accordance with the Rules of the Clearing Corporation or, if such day is not a business day, for the most recent business day.

- [(1) The closing settlement value for options on a Foreign Currency Index shall be determined by using the WM Intra-Day Spot rate on the last trading day during expiration week.]

### **Supplementary Material to Options 4A, Section 12**

\* \* \* \* \*

.06 Reserved.[In the case of the Dow Jones FXCM Dollar Index, the total number of components may not decrease from the number of components in the index at the time of its initial listing.]

\* \* \* \* \*

**Section 17. Reserved**

**Section 18. Reserved**

**Section 19. Reserved**

**Section 20. Reserved**

**Section 21. Reserved**

**Options 4B Reserved**

\* \* \* \* \*

**Options 6 Options Trade Administration**

\* \* \* \* \*

**Section 8. Reserved**

**Section 9. Reserved**

**Section 10. Reserved**

**Section 11. Reserved**

**Section 12. Reserved**

**Section 13. Reserved**

\* \* \* \* \*

**Options 6C Margins**

\* \* \* \* \*

**Section 3. Margin Requirements**

\* \* \* \* \*

[(e) The margin requirement for any put or call option on a Foreign Currency Index, as defined in Nasdaq ISE Options 4A, Section 2(h), listed and traded on the Exchange and issued by a registered clearing corporation shall be identical to the highest margin required for a component foreign currency as determined in accordance with Options 6C, Section 3(d).]

\* \* \* \* \*

**Section 4. Meeting Margin Calls by Liquidation Prohibited**

\* \* \* \* \*



(b) The provisions of this Rule shall not apply to any account maintained for another broker or dealer in which are carried only the commitments of customers of such other broker or dealer, exclusive of the partners, officers and directors of such other broker or dealer, provided such other broker or dealer is a Member of the Exchange or has agreed in good faith with the Member carrying the account that it will maintain a record equivalent to that referred to in Options [^]6C, Section 6.

\* \* \* \* \*

**Section 7. Reserved**

\* \* \* \* \*

**Options 9 Business Conduct**

\* \* \* \* \*

**Section 4. Disruptive Quoting and Trading Activity Prohibited**

(a) No Member shall engage in or facilitate disruptive quoting and trading activity on the Exchange, as described in subsections ([i]A) and ([ii]B) of this Rule, including acting in concert with other persons to effect such activity.

(1) For purposes of this Rule, disruptive quoting and trading activity shall include a frequent pattern in which the following facts are present:

(A) Disruptive Quoting and Trading Activity Type 1:

([i]1) a party enters multiple limit orders on one side of the market at various price levels (the "Displayed Orders"); and

([ii]2) following the entry of the Displayed Orders, the level of supply and demand for the security changes; and

([iii]3) the party enters one or more orders on the opposite side of the market of the Displayed Orders (the "Contra-Side Orders") that are subsequently executed; and

([iv]4) following the execution of the Contra-Side Orders, the party cancels the Displayed Orders.

([b]B) Disruptive Quoting and Trading Activity Type 2:

(1) a party narrows the spread for a security by placing an order inside the NBBO; and

(2) the party then submits an order on the opposite side of the market that executes against another market participant that joined the new inside market established by the order described in paragraph (b)(1).

([3]b) Applicability. [For purposes of this Rule, disruptive quoting and trading activity shall include a frequent pattern in which the facts listed above are present.] Unless

otherwise indicated, the order of the events indicating the pattern does not modify the applicability of the Rule. Further, disruptive quoting and trading activity includes a pattern or practice in which of the quoting and trading activity is conducted on the Exchange as well as a pattern or practice in which some portion of the quoting or trading activity is conducted on the Exchange and the other portions of the quoting or trading activity are conducted on one or more other exchanges.

\* \* \* \* \*

**Section 13. Position Limits**

\* \* \* \* \*

**Supplementary Material to Options 9, Section 13**

\* \* \* \* \*

.01 The position limits applicable to option contracts on the securities listed in the chart below are as follows:

<b>Security Underlying Option</b>	<b>Position Limit</b>
[The] <u>SPDR Dow Jones® Industrial Average ETF</u> [DIAMONDS] Trust (DIA)	300,000 contracts
[The Standard and Poor's Depository Receipts®] <u>SPDR Dow Jones® Industrial Average ETF</u> Trust (SPY)	1,800,000 contracts
[The] iShares® Russell 2000® ETF (IWM)	1,000,000 contracts
[The PowerShares] <u>INVESCO QQQ[Q ]Trust<sup>SM</sup>, Series 1</u> ([Q]QQQ)	1,800,000 contracts
[The] iShares MSCI Emerging Markets ETF (EEM)	1,000,000 contracts
iShares China Large-Cap ETF (FXI)	500,000 contracts
iShares MSCI EAFE ETF (EFA)	500,000 contracts
iShares MSCI Brazil Capped ETF (EWZ)	500,000 contracts
iShares 20+ Year Treasury Bond Fund ETF (TLT)	500,000 contracts
iShares MSCI Japan ETF (EWJ)	500,000 contracts

\* \* \* \* \*

[.03 Positions in option contracts overlying 10 shares of stock, Exchange-Traded Fund Share, Trust Issued Receipt, Exchange Traded Note, and other Index Linked Security ("Mini Options"), shall be aggregated with positions in regular size stock, Exchange-Traded Fund Share, Trust Issued Receipt, Exchange Traded Note, and other Index Linked Security option contracts, for purposes of this Rule, provided that ten (10) Mini Option contracts shall count as one (1) regular size option contract.]

\* \* \* \* \*

#### **Section 14. Exemptions from Position Limits**

(a) No change.

- (1) Where each option contract is "hedged" or "covered" by 100 shares [(10 shares in the case of a Mini Option)] of the underlying security or securities convertible into such underlying security, or, in the case of an adjusted option contract, the same number of shares represented by the adjusted contract; (i) long call and short stock; (ii) short call and long stock; (iii) long put and long stock; (iv) short put and short stock.
- (2) A long call position accompanied by a short put position, where the long call expires with the short put, and the strike price of the long call and short put is equal, and where each long call and short put position is hedged with 100 shares [(10 shares in the case of a Mini Option)] (or other adjusted number of shares) of the underlying security or securities convertible into such stock ("reverse conversion").
- (3) A short call position accompanied by a long put position where the short call expires with the long put, and the strike price of the short call and long put is equal, and where each short call and long put position is hedged with 100 shares [(10 shares in the case of a Mini Option)] (or other adjusted number of shares) of the underlying security or securities convertible into such stock ("conversion").
- (4) A short call position accompanied by a long put position, where the short call expires with the long put, and the strike price of the short call equals or exceeds the long put, and where each short call and long put position is hedged with 100 shares [(10 shares in the case of a Mini Option)] of the underlying security (or other adjusted number of shares). Neither side of the short call, long put position can be in-the-money at the time the position is established ("collar").
- (5) A long call position accompanied by a short put position where the long call expires with the short put and the strike price of the long call equals or exceeds the short put and where each long call and short put position is hedged with 100 shares [(10 shares in the case of a Mini Option)] of the underlying security (or other adjusted number of shares). Neither side of the long call, short put position can be in-the-money at the time the position is established ("reverse collar").

\* \* \* \* \*

**Section 15. Exercise Limits**

\* \* \* \* \*

**Supplementary Material to Option 9, Section 15**

.01 The exercise limits applicable to option contracts on the securities listed in the chart below is as follows:

<b>Security Underlying Option</b>	<b>Position Limit</b>
[The] <u>SPDR Dow Jones® Industrial Average ETF</u> [DIAMONDS] Trust (DIA)	300,000 contracts
[The Standard and Poor's Depository Receipts®] <u>SPDR Dow Jones® Industrial Average ETF</u> Trust (SPY)	1,800,000 contracts
[The ]iShares® <u>Russell 2000®</u> ETF (IWM)	1,000,000 contracts
[The PowerShares] <u>INVESCO QQQ[Q ]Trust<sup>SM</sup>, Series 1</u> ([Q]QQQ)	1,800,000 contracts
[The ]iShares MSCI Emerging Markets ETF (EEM)	1,000,000 contracts
iShares China Large-Cap ETF (FXI)	500,000 contracts
iShares MSCI EAFE ETF (EFA)	500,000 contracts
iShares MSCI Brazil Capped ETF (EWZ)	500,000 contracts
iShares 20+ Year Treasury Bond Fund ETF (TLT)	500,000 contracts
iShares MSCI Japan ETF (EWJ)	500,000 contracts

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**Section 24. Reserved**

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