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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83051; File No. SR-ISE-2018-32]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Codify Within Rule 718 the Data Feeds on ISE

April 13, 2018.

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 4, 2018, Nasdaq ISE, LLC ("ISE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II 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 a proposed rule change to codify within Rule 718, which rule is currently reserved, the data feeds that are currently offered on ISE.

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

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

2 17 CFR 240.19b-4.

proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The purpose of the proposed rule change is to codify within Rule 718, which rule is currently reserved, the data feeds that are currently offered on ISE and previously described in prior rule changes as described in more detail below. The Exchange proposes to rename Rule 718 "Data Feeds" and list the various data feed offerings within that rule.

The Exchange has previously filed a rule change which describes the various data offerings.[3] The data offerings contained in that rule change included: Nasdaq ISE Real-time Depth of Market Raw Data Feed ("Depth of Market Feed"), the Nasdaq ISE Order Feed ("Order Feed"), the Nasdaq ISE Top Quote Feed ("Top Quote Feed"), the Nasdaq ISE Trades Feed ("Trades Feed"), and the Nasdaq ISE Spread Feed ("Spread Feed"). Each of the data offerings are described in more detail below.

Universal Changes

The Exchange notes it proposes various universal amendments to its data feeds for consistency and clarity. References to "instrument" will be replaced by the more specific language "options series." Where the Exchange previously referred to "trading status" those words will be replaced with language which specifically explains the information for status,

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[3] See Securities Exchange Act Release No. 81095 (July 7, 2017), 82 FR 32409 (July 13, 2017) (SR-ISE-2017-62) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Establish Ports and Gateways That Members Use To Connect to the Exchange)("Prior Filing").

which is, "whether the option series is available for trading on ISE and identifies if the series is available for closing transactions only." The word "customer" will be replaced with the defined term "Priority Customer."[4] References to the word "cumulative," when referring to volume, will be replaced with more specific language namely, "daily trading," to refer to the volume. These aforementioned amendments are made, where applicable, within the data feeds described below in more detail. Finally, the Exchange is adding language in Rule 718(a) to make clear that the data feeds pertain to ISE trading information.

Depth of Market Feed

In a Prior Filing the Exchange described the Depth Feed as providing aggregate quotes and orders at the top five price levels on the Exchange, and provides subscribers with a consolidated view of tradable prices beyond the BBO, showing additional liquidity and enhancing transparency for ISE traded options. The data provided for each instrument includes the symbols (series and underlying security), put or call indicator, expiration date, the strike price of the series, and trading status. In addition, subscribers are provided with total quantity, customer quantity, price, and side (i.e., bid/ask). This information is provided for each of the five indicated price levels on the Depth Feed. The feed also provides participants of imbalances on opening/reopening.

In codifying the feed description, the Exchange proposes a few amendments to the description in the Prior Filing in addition to the universal changes mentioned above. For the Depth of Market Feed, the Exchange is removing the words ""Real-time" and "Raw" because all the feeds are real-time and contain raw data. Removing these words conforms the language of

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4 The term "Priority Customer" means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). See ISE Rule 100(a)(41A).

all the feeds. The Exchange proposes to replace "Exchange" with "ISE" for clarity. Also, the Exchange is expanding the description of total quantity to "total aggregate quantity" including Public Customer[5] aggregate quantity and Priority Customer aggregate quantity. The Exchange is amending a description of the imbalances on opening/reopening to note the imbalances are order and not participant imbalances. Finally a typographical error is being amended in the last sentence of this data feed to remove an extraneous "of" in the sentence.

Order Feed

In a Prior Filing the Exchange described the Order Feed as providing information on new orders resting on the book. In addition, the feed also announces auctions. The data provided for each instrument includes the symbols (series and underlying security), put or call indicator, expiration date, the strike price of the series, and trading status. The feed also provides participants of imbalances on opening/reopening.

In codifying the feed description, the Exchange proposes a few amendments to the description in the Prior Filing in addition to the universal changes mentioned above. The Exchange is amending the order feed to include the word "all" before auctions to make clear all auction information is included. The Exchange is adding examples of the information provided on new orders resting on the book, e.g. price, quantity and *market participant* capacity. The words "market participant" are intended to make clear which capacity is referred to for the information. The Exchange is amending a description of the imbalances on opening/reopening to note the imbalances are order and not participant imbalances. Also, a typographical error is being amended in the last sentence of this data feed to remove an extraneous "of" in the sentence.

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5 The term "Public Customer" means a person or entity that is not a broker or dealer in securities. See Rule 100(a)(42).

Top Quote Feed

In a Prior Filing the Exchange described the Top Quote Feed as one that calculates and disseminates its best bid and offer position, with aggregated size (Total & Customer), based on displayable order and quote interest in the options market system. The feed also provides last trade information along with opening price, cumulative volume, high and low prices for the day. The data provided for each instrument includes the symbols (series and underlying security), put or call indicator, expiration date, the strike price of the series, and trading status.

In codifying the feed description, the Exchange proposes a few amendments to the description in the Prior Filing in addition to the universal changes mentioned above. The Exchange proposes to amend the Top Quote Feed to make clear that aggregated size included total size, Public Customer size in the aggregate and also Priority Customer size in the aggregate. The Exchange is replacing the term "options market system" with the defined term "System."[6] The Exchange also proposes to add a sentence, similar to the Depth of Market Feed and Order Feed which provides "The feed also provides order imbalances on opening/reopening." This sentence should have been included with this feed as well. The universal changes described above apply as well.

Trades Feed

In a Prior Filing the Exchange described the Trades Feed as displaying last trade information along with opening price, cumulative volume, high and low prices for the day. The data provided for each instrument includes the symbols (series and underlying security), put or call indicator, expiration date, the strike price of the series, and trading status.

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6 See Rule 100(a)(53).

The Exchange is only amending the description of the Trades Feed as described in the universal changes.

Spread Feed

In a Prior Filing the Exchange described the Spread Feed as a real-time feed that consists of options quotes and orders for all Complex Orders (i.e., spreads, buy-writes, delta neutral strategies, etc.) aggregated at the top price level on both the bid and offer side of the market as well as all aggregated quotes and orders for complex orders at the top five price levels on both the bid and offer side of the market. In addition, the Spread Feed provides real-time updates every time a new complex limit order that is not immediately executable at the BBO is placed on the ISE complex order book. The Spread Feed shows aggregate bid/ask quote size for Customer and Professional Customer option orders for ISE traded options.

In codifying the Trades Feed description, the Exchange proposes a few amendments to the description in the Prior Filing in addition to the universal changes mentioned above. The Exchange is also removing a reference to "real-time" as not necessary. The Exchange is also capitalizing the term "Complex Order," which is a defined term.[7] The Exchange is also amending the sentence which currently provides, "Nasdaq ISE Spread is a real-time feed that consists of options quotes and orders for all Complex Orders (i.e., spreads, buy-writes, delta neutral strategies, etc.) aggregated at the top price level on both the bid and offer side of the market as well as all aggregated quotes and orders for complex orders at the top five price levels on both the bid and offer side of the market." The Exchange proposes to provide, "Nasdaq ISE

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[7] 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, for the same account, in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00) and for the purpose of executing a particular investment strategy. See ISE Rule 722(a)(1).

Spread Feed (“Spread Feed”) is a feed that consists of options quotes and orders for all Complex Orders (i.e., spreads, buy-writes, delta neutral strategies, etc.) aggregated at the top five price levels (BBO) on both the bid and offer side of the market as well as last trades information.” The Exchange believes that the proposed sentence is clear with respect to the fact that the data takes into account the top five price levels or “BBO.” The Exchange is adding “last trades information” to make clear that the execution information is contained in this data feed as well. Finally, the Exchange is making clear that the Spread Feed shows bid/ask quote size for Public Customer and Priority Customer option orders for ISE traded options. The universal changes described above apply as well.

The Exchange notes that market participants are charged for subscriptions to these products.[8] The Exchange believes that codifying these data feeds within the Exchange’s Rulebook will bring greater transparency to its Rules as well as the data which is available on the Exchange. The amendments are also intended to provide greater clarity and transparency concerning the data offerings.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),[9] in general, and furthers the objectives of Section 6(b)(5) of the Act,[10] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. By codifying the various data feed offerings, which have already been filed for in another rule

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8 See Schedule of Fees, Section VIII, Market Data.

9 15 U.S.C. 78f(b).

10 15 U.S.C. 78f(b)(5).

change,[11] will bring greater transparency to the Exchange's Rules. Also, the content of each data feed is described within the Rule for ease of reference. The Exchange believes that the proposed rule change is consistent with the protection of investors and the public interest as it provides information relating to the data available on the Exchange for the benefit of its Members within its Rules and adds greater transparency to these offerings. Finally, the amendments seeks to add greater clarity to the data offerings and conform the text of the offerings.

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

In accordance with Section 6(b)(8) of the Act,[12] the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. The data feed offerings are available to any market participant. The Exchange's proposal seeks to codify the data offerings in a rule for ease of reference and transparency within the Rulebook. The amendments seeks to add greater clarity to the data offerings and conform the text of the offerings.

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

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time

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11 See note 3 above.

12 15 U.S.C. 78f(b)(8).

as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act[13] and subparagraph (f)(6) of Rule 19b-4 thereunder.[14]

A proposed rule change filed under Rule 19b-4(f)(6)[15] normally does not become operative prior to 30 days after the date of the filing. However, Rule 19b-4(f)(6)(iii)[16] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange states that waiving the operative delay will allow it to immediately reflect the Exchange's data feed offerings within its Rules and bring greater transparency to these data feed offerings. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and designates the proposed rule change as operative upon filing.[17]

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,

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13 15 U.S.C. 78s(b)(3)(A)(iii).

14 17 CFR 240.19b-4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of 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.

15 17 CFR 240.19b-4(f)(6).

16 17 CFR 240.19b-4(f)(6)(iii).

17 For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-2018-32 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-ISE-2018-32. 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 website (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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-ISE-2018-32 and should be submitted on or before **[INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[18]

Eduardo A. Aleman,
Assistant Secretary.

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[18] 17 CFR 200.30-3(a)(12).

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