

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 15	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2016 - * 03 Amendment No. (req. for Amendments *)
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Filing by International Securities Exchange
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"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Contact Information
Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name *	Michael	Last Name *	Sanocki
Title *	Assistant General Counsel		
E-mail *	msanocki@ise.com		
Telephone *	(212) 897-8144	Fax	<input type="text"/>

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.
(Title *)

Date	01/13/2016	Secretary & General Counsel
By	Michael Simon	<input type="text"/>
	(Name *)	

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.

Persona Not Validated - 1443109051649,

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 *

Add Remove View

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

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

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

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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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

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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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) The International Securities Exchange (“ISE” or the “Exchange”) proposes to amend its Schedule of Fees as described below. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The Board of Directors of the Exchange approved this proposed rule change on February 27, 2014. This action constitutes the requisite approval under the Exchange’s Certificate of Formation, Operating Agreement, and Constitution.

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

(a) Purpose – The purpose of the proposed rebate is to amend the Schedule of Fees to introduce a new set of rebates to the Qualified Contingent Cross (“QCC”) and/or other solicited crossing orders, including solicited orders executed in the Solicitation, Facilitation or Price Improvement Mechanisms, pricing initiative that offers rebates to members that execute a specified volume of QCC and other solicited crossing orders in a month. The proposed rebates apply to QCC and solicited orders between two Priority Customers¹ (“‘Customer to Customer’ Orders”) executed by members that 1) execute a specified volume of QCC and solicited orders in a given month and 2) have a total unsolicited originating Facilitation contract side volume of 175,000 or more per month. The Exchange notes it is not proposing any change to how volume is calculated for the current volume tiers. Thus, members will continue to obtain the tier level based on all QCC and/or solicited crossing orders’ originating side volume. Members will also continue to receive the Non-“Customer to Customer” Order² rebate for their Non-“Customer to Customer” Orders and the “Customer to Customer” Order rebate for their “Customer to Customer” Orders.

Currently, the Exchange offers members rebates in QCC and/or other solicited crossing orders (including “Customer to Customer” Orders), i.e. orders executed in the Solicitation, Facilitation, or Price Improvement Mechanisms where the agency order is executed against an order solicited from another party. These rebates are provided for each originating side of a crossing order, based on a member's volume in the crossing

¹ 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).

² “Non-‘Customer to Customer’ Orders” are QCC and/or other solicited crossing orders, including solicited orders executed in the Solicitation, Facilitation or Price Improvement Mechanisms, and excluding “Customer to Customer” Orders.

mechanisms during a given month. Currently, for the Non-“Customer to Customer” Rebate, for members that execute 0 to 99,999 originating contract sides (“Tier 1”) the rebate is \$0.00 per contract, for members that execute 100,000 to 199,999 originating contract sides (“Tier 2”) the rebate is \$0.05 per contract, for members that execute 200,000 to 499,999 originating contract sides (“Tier 3”) the rebate is \$0.07 per contract, for members that execute 500,000 to 699,999 originating contract sides (“Tier 4”) the rebate is \$0.08 per contract, for members that execute 700,000 to 999,999 originating contract sides (“Tier 5”) the rebate is \$0.09 per contract, and for members that execute 1,000,000 originating contract sides or more (“Tier 6”) the rebate is \$0.11 per contract.³ Also, for the “Customer to Customer” Rebate, for Tier 1 the rebate is \$0.00, for Tiers 2 through 3 the rebate is \$0.01, and for Tiers 4 through 6 the rebate is \$0.03.

The Exchange now proposes to offer a new set of rebates called “Customer to Customer” Rebate PLUS. The proposed rebates apply to “Customer to Customer” Orders executed by members with 1) a specified volume of QCC and other solicited crossing orders in a given month and 2) 175,000 or more unsolicited originating Facilitation contract sides per month. The Facilitation Mechanism is a process by which an Electronic Access Member (“EAM”) can execute a transaction wherein the EAM seeks to facilitate a block-size order it represents as agent, and/or a transaction wherein the EAM solicited interest to execute against a block-size order it represents as agent.⁴ Only orders entered into the Facilitation Mechanism that are facilitated by the entering EAM (i.e. unsolicited Facilitation orders) will count towards the volume threshold described above.⁵ Once a member has met the volume thresholds described above, the member will receive a rebate for each originating contract side of their “Customer to Customer” Orders. In particular, the member will receive a “Customer to Customer” Rebate PLUS of \$0.00 per contract for Tier 1, and \$0.05 per contract for Tiers 2 through 6. The Exchange notes that members may receive either the “Customer to Customer” Rebate or the “Customer to Customer” Rebate PLUS – not both.

Finally, all originating contract side volume will continue to contribute to the member’s Tier level, however a member’s “Customer to Customer” rebate will depend on its unsolicited originating Facilitation volume. For example, if a member has 175,000 originating contract sides for Non-“Customer to Customer” Orders and 75,000 originating contract sides for “Customer to Customer” Orders, the member’s aggregated volume will be 250,000 placing them in Tier 3 (200,000 to 499,999). As a result, the member will receive a rebate of \$0.07 per originating contract side for its Non-“Customer to Customer” Orders and a rebate of either 1) \$0.01 per originating contract side for its “Customer to Customer” Orders (i.e. “Customer to Customer” Rebate) or 2) if the member has 175,000 or more unsolicited originating Facilitation contract sides, \$0.05 per

³ The rebate is applied to the originating contract side of QCC and solicited crossing orders traded in a given month once a member reaches the specified volume threshold/Tier during that month.

⁴ See Rule 716(d).

⁵ In addition, the Exchange notes that it will only count originating contract sides in determining whether the EAM has met the 175,000 contract threshold.

originating side for its “Customer to Customer” Orders (i.e. “Customer to Customer” Rebate PLUS).

(b) Basis – The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁶ in general, and Section 6(b)(4) of the Act,⁷ in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

The Exchange believes that it is reasonable and equitable to provide for the opportunity to receive these rebates because they will incentivize members to send varying types of crossing volumes to the Exchange. In particular, the proposed rebates will encourage members to send unsolicited Facilitation orders to meet the 175,000 volume threshold to obtain the greater PLUS Rebate and encourage more ‘Customer to Customer’ volume to achieve the higher rebates. Further, the Exchange believes it is reasonable and equitable to provide for the opportunity to receive the proposed rebates because they are attractive to market participants, and many exchanges, including CBOE for example, offer no rebate for customer to customer executions.⁸ Finally, the Exchange believes that the proposed fees are not unfairly discriminatory because these rebates would be uniformly applied to all members’ “Customer to Customer” Orders that meet the required volume thresholds.

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

In accordance with Section 6(b)(8) of the Act,⁹ the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed rebates are attractive to market participants and are better than the rebates (if any) offered by other exchanges.¹⁰ The Exchange operates in a highly competitive market in which market participants can readily direct their order flow to competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed fee changes reflect this competitive environment.

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

⁸ See CBOE Fee Schedule, QCC Rate Table, Notes at <https://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf>.

⁹ 15 U.S.C. 78f(b)(8).

¹⁰ CBOE for example, offers no rebate (credit) for customer to customer executions. See CBOE Fee Schedule, QCC Rate Table, Notes at <https://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf>.

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

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

6. Extension of Time Period for Commission Action

Not applicable.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,¹¹ the Exchange has designated this proposal as establishing or changing a due, fee or other charge imposed on any person, whether or not the person is a member of a self-regulatory organization, which renders the proposed rule change effective upon filing.

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

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

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

Not applicable.

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

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

¹¹ 15 U.S.C. 78s(b)(3)(A)(ii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-ISE-2016-03)

[Date]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Schedule of Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 13, 2016, the International Securities Exchange, LLC (the "Exchange" or "ISE") filed with the Securities and Exchange Commission the proposed rule change, as described in Items I, II, and III below, which items have been prepared by the self-regulatory organization. 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

ISE proposes to amend the Schedule of Fees as described in more detail below. The text of the proposed rule change is available on the Exchange's Internet website at <http://www.ise.com>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at

¹ 15 U.S.C. 78s(b)(1).

the places specified in Item IV below. The self-regulatory organization 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 rebate is to amend the Schedule of Fees to introduce a new set of rebates to the Qualified Contingent Cross (“QCC”) and/or other solicited crossing orders, including solicited orders executed in the Solicitation, Facilitation or Price Improvement Mechanisms, pricing initiative that offers rebates to members that execute a specified volume of QCC and other solicited crossing orders in a month. The proposed rebates apply to QCC and solicited orders between two Priority Customers³ (“Customer to Customer” Orders”) executed by members that 1) execute a specified volume of QCC and solicited orders in a given month and 2) have a total unsolicited originating Facilitation contract side volume of 175,000 or more per month. The Exchange notes it is not proposing any change to how volume is calculated for the current volume tiers. Thus, members will continue to obtain the tier level based on all QCC and/or solicited crossing orders’ originating side volume. Members will also continue to receive the Non-“Customer to Customer” Order⁴ rebate for their Non-

² 17 CFR 240.19b-4.

³ 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).

⁴ “Non-‘Customer to Customer’ Orders” are QCC and/or other solicited crossing orders, including solicited orders executed in the Solicitation, Facilitation or Price Improvement Mechanisms, and excluding “Customer to Customer” Orders.

“Customer to Customer” Orders and the “Customer to Customer” Order rebate for their “Customer to Customer” Orders.

Currently, the Exchange offers members rebates in QCC and/or other solicited crossing orders (including “Customer to Customer” Orders), i.e. orders executed in the Solicitation, Facilitation, or Price Improvement Mechanisms where the agency order is executed against an order solicited from another party. These rebates are provided for each originating side of a crossing order, based on a member's volume in the crossing mechanisms during a given month. Currently, for the Non-“Customer to Customer” Rebate, for members that execute 0 to 99,999 originating contract sides (“Tier 1”) the rebate is \$0.00 per contract, for members that execute 100,000 to 199,999 originating contract sides (“Tier 2”) the rebate is \$0.05 per contract, for members that execute 200,000 to 499,999 originating contract sides (“Tier 3”) the rebate is \$0.07 per contract, for members that execute 500,000 to 699,999 originating contract sides (“Tier 4”) the rebate is \$0.08 per contract, for members that execute 700,000 to 999,999 originating contract sides (“Tier 5”) the rebate is \$0.09 per contract, and for members that execute 1,000,000 originating contract sides or more (“Tier 6”) the rebate is \$0.11 per contract.⁵ Also, for the “Customer to Customer” Rebate, for Tier 1 the rebate is \$0.00, for Tiers 2 through 3 the rebate is \$0.01, and for Tiers 4 through 6 the rebate is \$0.03.

The Exchange now proposes to offer a new set of rebates called “Customer to Customer” Rebate PLUS. The proposed rebates apply to “Customer to Customer” Orders executed by members with 1) a specified volume of QCC and other solicited crossing orders in a given month and 2) 175,000 or more unsolicited originating Facilitation

⁵ The rebate is applied to the originating contract side of QCC and solicited crossing orders traded in a given month once a member reaches the specified volume threshold/Tier during that month.

contract sides per month. The Facilitation Mechanism is a process by which an Electronic Access Member (“EAM”) can execute a transaction wherein the EAM seeks to facilitate a block-size order it represents as agent, and/or a transaction wherein the EAM solicited interest to execute against a block-size order it represents as agent.⁶ Only orders entered into the Facilitation Mechanism that are facilitated by the entering EAM (i.e. unsolicited Facilitation orders) will count towards the volume threshold described above.⁷ Once a member has met the volume thresholds described above, the member will receive a rebate for each originating contract side of their “Customer to Customer” Orders. In particular, the member will receive a “Customer to Customer” Rebate PLUS of \$0.00 per contract for Tier 1, and \$0.05 per contract for Tiers 2 through 6. The Exchange notes that members may receive either the “Customer to Customer” Rebate or the “Customer to Customer” Rebate PLUS – not both.

Finally, all originating contract side volume will continue to contribute to the member’s Tier level, however a member’s “Customer to Customer” rebate will depend on its unsolicited originating Facilitation volume. For example, if a member has 175,000 originating contract sides for Non-“Customer to Customer” Orders and 75,000 originating contract sides for “Customer to Customer” Orders, the member’s aggregated volume will be 250,000 placing them in Tier 3 (200,000 to 499,999). As a result, the member will receive a rebate of \$0.07 per originating contract side for its Non-“Customer to Customer” Orders and a rebate of either 1) \$0.01 per originating contract side for its “Customer to Customer” Orders (i.e. “Customer to Customer” Rebate) or 2) if the member has 175,000 or more unsolicited originating Facilitation contract sides, \$0.05 per

⁶ See Rule 716(d).

originating side for its “Customer to Customer” Orders (i.e. “Customer to Customer” Rebate PLUS).

2. Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁸ in general, and Section 6(b)(4) of the Act,⁹ in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

The Exchange believes that it is reasonable and equitable to provide for the opportunity to receive these rebates because they will incentivize members to send varying types of crossing volumes to the Exchange. In particular, the proposed rebates will encourage members to send unsolicited Facilitation orders to meet the 175,000 volume threshold to obtain the greater PLUS Rebate and encourage more ‘Customer to Customer’ volume to achieve the higher rebates. Further, the Exchange believes it is reasonable and equitable to provide for the opportunity to receive the proposed rebates because they are attractive to market participants, and many exchanges, including CBOE for example, offer no rebate for customer to customer executions.¹⁰ Finally, the Exchange believes that the proposed fees are not unfairly discriminatory because these rebates would be uniformly applied to all members’ “Customer to Customer” Orders that meet the required volume thresholds.

⁷ In addition, the Exchange notes that it will only count originating contract sides in determining whether the EAM has met the 175,000 contract threshold.

⁸ 15 U.S.C. 78f.

⁹ 15 U.S.C. 78f(b)(4).

¹⁰ See CBOE Fee Schedule, QCC Rate Table, Notes at <https://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf>.

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

In accordance with Section 6(b)(8) of the Act,¹¹ the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed rebates are attractive to market participants and are better than the rebates (if any) offered by other exchanges.¹² The Exchange operates in a highly competitive market in which market participants can readily direct their order flow to competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed fee changes reflect this competitive environment.

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

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act,¹³ and subparagraph (f)(2) of Rule 19b-4 thereunder,¹⁴ because it establishes a due, fee, or other charge imposed by ISE.

¹¹ 15 U.S.C. 78f(b)(8).

¹² CBOE for example, offers no rebate (credit) for customer to customer executions. See CBOE Fee Schedule, QCC Rate Table, Notes at <https://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf>.

¹³ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁴ 17 CFR 240.19b-4(f)(2).

At any time within 60 days of the filing of such 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:

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 No. SR-ISE-2016-03 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-2016-03. 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 Commissions 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. Copies of such 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-2016-03 and should be submitted by [insert date 21 days from the date of publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Secretary

¹⁵ 17 CFR 200.30-3(a)(12).

Exhibit 5 - Text of the Proposed Rule Change
Underlining indicates additions; [Brackets] indicate deletion

* * *

IV. Other Options Fees and Rebates

A. QCC and Solicitation Rebate

- Members using the Qualified Contingent Cross (QCC) and/or other solicited crossing orders, including solicited orders executed in the Solicitation, Facilitation or Price Improvement Mechanisms, will receive rebates according to the table below for each originating contract side in all symbols traded on the Exchange. Once a Member reaches a certain volume threshold in QCC orders and/or solicited crossing orders during a month, the Exchange will provide rebates to that Member for all of its QCC and solicited crossing order traded contracts for that month. The applicable rebates will be applied on QCC and solicited crossing order traded contracts once the volume threshold is met. Members will receive the Non-“Customer to Customer” rebate for all QCC and/or other solicited crossing orders except for QCC and solicited orders between two Priority Customers. QCC and solicited orders between two Priority Customers will receive the “Customer to Customer” rebate or “Customer to Customer” Rebate PLUS, respectively. The volume threshold and corresponding rebates are as follows:
- Non-“Customer to Customer” and “Customer to Customer” volume will be aggregated in determining the applicable volume tier.

Originating Contract Sides	Non-“Customer to Customer” Rebate	“Customer to Customer” Rebate	“Customer to Customer” <u>Rebate PLUS*</u>
0 to 99,999	\$0.00	\$0.00	<u>\$0.00</u>
100,000 to 199,999	(\$0.05)	(\$0.01)	<u>(\$0.05)</u>
200,000 to 499,999	(\$0.07)	(\$0.01)	<u>(\$0.05)</u>
500,000 to 699,999	(\$0.08)	(\$0.03)	<u>(\$0.05)</u>
700,000 to 999,999	(\$0.09)	(\$0.03)	<u>(\$0.05)</u>
1,000,000+	(\$0.11)	(\$0.03)	<u>(\$0.05)</u>

*PLUS rebate is for Members with total monthly unsolicited originating Facilitation contract side volume of 175,000 or more.

* * *