

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="22"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2018"/> - * <input type="text" value="15"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by Nasdaq ISE, LLC
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input 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 checked="" type="checkbox"/>	Exhibit 3 Sent As Paper Document <input checked="" type="checkbox"/>
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Description

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

Proposal to amend the Exchange Schedule of Fees to remove obsolete text and amend the current rule text to provide a more accurate description of the Gateway Fees which are currently offered on ISE.

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 * <input type="text" value="Angela"/>	Last Name * <input type="text" value="Dunn"/>
Title * <input type="text" value="Principal Associate General Counsel"/>	
E-mail * <input type="text" value="Angela.Dunn@nasdaq.com"/>	
Telephone * <input type="text" value="(215) 496-5692"/>	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 <input type="text" value="02/12/2018"/>	Executive Vice President and General Counsel
By <input type="text" value="Edward S. Knight"/>	<input type="text"/>
(Name *)	<input type="text" value="edward.knight@nasdaq.com"/>

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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

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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

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) Nasdaq ISE, LLC (“ISE” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend the Exchange’s Schedule of Fees to remove obsolete text and amend the current rule text to provide a more accurate description of the Gateway Fees which are currently offered on ISE.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and a copy of the applicable portion of the Pricing Schedule is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”) on September 19, 2017. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

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

Angela Saccomandi Dunn
Principal Associate General Counsel
Nasdaq, Inc.
215-496-5692

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

The Exchange proposes to amend ISE's current pricing related to Gateways at VI, C of the Schedule of Fees. The Exchange's current gateway offering was modified with the completion of the transition of ISE to INET technology in July 2017. First, as of July 2017, the Exchange no longer offered a Shared Gateway for its DTI³ port to its Members. Second, the Exchange modified its offering of its Dedicated Gateway to remove the paired offering which allowed access to both ISE and Nasdaq GEMX, LLC ("GEMX"). Both of these changes are discussed in more detail below.

Shared Gateway

With the transition to INET, ISE no longer offered DTI ports as of July 2017. Prior to the replatform, ISE assessed Members a Shared Gateway fee of \$750 per gateway, per month for DTI ports. The offering provided connectivity to both ISE and GEMX. The Exchange no longer offers DTI ports and has not billed this fee since the decommissioning of the DTI ports in July 2017. No ISE Member will be offered a Shared Gateway for a DTI port. Today, the Exchange does not assess a Shared Gateway fee for ports. ISE Members are able to utilize various ports today, namely, SQF, OTTO, FIX and Precise. The Exchange is noting a Shared Gateway fee of \$0 on the Schedule of Fees for clarity. The Shared Gateway fee shall apply to all ports including FIX, SQF, OTTO and Precise.

³ DTI was an order entry protocol offered on ISE that was utilized by all members. DTI ports are not offered today.

Dedicated Gateway and Dedicated SQF

The Exchange filed a rule change to establish a Dedicated SQF Host in 2017 to discuss the transition of gateway services in connection with the INET migration.⁴ In that rule change the Exchange noted it would offer Dedicated Gateways to facilitate member access to the Exchange.⁵ The filing described a Dedicated SQF Host as an optional offering available to Market Makers -- *i.e.*, Primary Market Makers (“PMMs”) and Competitive Market Makers (“CMMs”)--only for their SQF Port & SQF Purge Port connectivity.⁶ A Dedicated SQF Host provides the PMM or CMM with assurance that their SQF Port and SQF Purge Port connection to the Exchange resides on a host that is not shared with other PMMs and CMMs.

The Exchange’s Schedule of Fees currently provides for a Dedicated Gateway fee which is assessed at \$2,250 per gateway pair, per month. The Schedule of Fees notes that the gateway connectivity provides connectivity to both GEMX and ISE. Also, the Schedule of Fees notes a Dedicated SQF Host Fee of \$0 per host per month. The Exchange established the Dedicated SQF Host Fee at no cost because the Exchange did not desire to double bill ISE Market Makers for two sets of SQF connectivity – one to the old T7 legacy system and one to the new INET system.

The Exchange discontinued its paired Dedicated Gateways in July 2017. Since that time the Exchange has not billed Market Makers for use of Dedicated Gateways. The Exchange has offered the Dedicated SQF Host at no cost. At this time, the Exchange

⁴ See Securities and Exchange Act Release No. 81095 (July 7, 2017), 82 FR 32409 (July 13, 2017)(SR-ISE-2017-62).

⁵ Id.

⁶ Id. See also ISE Rule 100(a)(25).

proposes to increase and amend the dedicated offering. The Exchange proposes to eliminate the reference to a “Dedicated SQF Host Fee” and commence assessing a fee for the “Dedicated Gateway” offering. The Exchange proposes to continue to refer to the dedicated offering as the “Dedicated Gateway” and assess a fee of \$2,250 per SQF gateway, per month. Only Market Makers that utilize SQF ports have the option of utilizing this dedicated offering. Prior to the INET transition, all Members were able to utilize the dedicated offering for their DTI port. Today, only SQF ports, which are utilized by Market Makers, may be dedicated. All other ports, namely FIX, OTTO and Precise, can only be shared. An SQF port can be shared, at no cost, or dedicated. The current Dedicated SQF will not offer connectivity for GEMX and therefore the “pair” language is no longer relevant. The offering only grants access to ISE.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁸ in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Shared Gateway

The Exchange believes that removing the obsolete pricing for the Shared Gateway for the DTI ports is reasonable because DTI ports are no longer available and the

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(4) and (5).

Exchange does not assess any other port a Shared Gateway fee. Also, the Exchange offers a Shared Gateway for any port, SQF, OTTO, FIX or Precise, at no cost.

The Exchange believes that removing the pricing for the Shared Gateway for DTI ports is equitable and not unfairly discriminatory because DTI ports are no longer available on ISE for any Member. Any Member may utilize a Shared Gateway at no cost.

Dedicated Gateway and Dedicated SQF

The Exchange believes that removing the current Dedicated Gateway paired pricing and the reference to the Dedicated SQF Host Fee, and increasing the fee for a dedicated offering, namely “Dedicated Gateway” fee from \$0⁹ to \$2,250 per SQF gateway, per month is reasonable. The Exchange discontinued the paired connectivity through the legacy T7 in July 2017. The Exchange offered these dedicated servers at no cost since August 2017. Increasing the Dedicated Gateway fee at this time permits the Exchange to recuperate costs it bears to offer such dedicated services and permits ISE Market Makers to select between a Shared Gateway and a Dedicated Gateway for their SQF ports. The Exchange believes that assessing a fee of \$2,250 per host, per month to obtain a dedicated server is reasonable given the cost of this offering to the Exchange. ISE Market Makers have the option of selecting a Shared Gateway for their SQF ports at no cost.

The Exchange believes that removing the current Dedicated Gateway paired pricing and the reference to the Dedicated SQF Host Fee, and increasing the fee for a dedicated offering, namely “Dedicated Gateway” fee from \$0 to \$2,250 per SQF

⁹ The Exchange is not currently assessing a fee for a dedicated offering.

gateway, per month is equitable and not unfairly discriminatory. At this time, no ISE Member is being assessed the paired Dedicated Gateway fees. Today, no ISE Market Maker is being assessed a Dedicated SQF Host fee. Any ISE Market Maker may select a Dedicated SQF, as compared to a Shared Gateway for their SQF connectivity. The Exchange will uniformly assess any ISE Market Maker the proposed \$2,250 per host, per month fee. ISE Market Makers are likely to benefit from a dedicated as compared to a shared gateway as compared to other market participants. Dedicated SQF is designed to provide a more deterministic experience for ISE Market Makers when quoting on the Exchange by allowing them to better load balance their trading sessions, but does not provide any latency benefit when compared to using the shared gateways, which are built on identical hardware to the dedicated gateways. The Exchange therefore believes that ISE Market Makers are likely to benefit from the load balancing provided by the dedicated gateways, which will aid ISE Market Makers in their obligations to maintain tight markets--a benefit that ultimately accrues to the benefit of all market participants that trade on the Exchange. Based on the Exchange's experience, the Exchange does not believe that market participants using other protocols, namely FIX, OTTO and Precise, are likely to use dedicated gateways, and the Exchange is therefore not offering such Dedicated Gateways for any of ports other than SQF Ports.

The Exchange does not believe that it is unfairly discriminatory to offer Dedicated Gateways only for SQF ports, which are only available to ISE Market Makers. Other exchanges also have gateways that are restricted to market makers. The New York Stock Exchange, for example, offers DMM Gateways that are only available to their Designated

Market Makers.¹⁰ ISE Market Makers provide liquidity on the Exchange and have continuous quoting obligations¹¹ to the market that require the ability to quickly and efficiently interact with their quotes and orders. Finally, with respect to assessing the same fee while discontinuing access to GEMX, the Exchange believes that is equitable and not unfairly discriminatory to no longer offer access to GEMX with this particular offering as other exchanges do not offer this option.¹²

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. In terms of inter-market competition, the Exchange notes other exchanges offer similar dedicated access to their servers.¹³ The Exchange operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In terms of intra-market competition, no ISE Member will be assessed for a Shared Gateway. The new proposed Dedicated Gateway fee will be uniformly assessed

¹⁰ See Securities Exchange Act Release No. 79748 (January 6, 2017), 82 FR 3828 (January 12, 2017) (SR-NYSE-2016-93).

¹¹ See ISE Rule 804(e).

¹² Nasdaq MRX, LLC has never offered a dedicated gateway option today.

¹³ See note 9 above.

to ISE Market Makers, who provide liquidity on the Exchange and have continuous quoting obligations¹⁴ to the market. These market participants require the ability to quickly and efficiently interact with their quotes and orders. Further will respect to a Dedicated Gateways, the Exchange believes that ISE Market Makers are likely to benefit from the load balancing, which will aid ISE Market Makers in their obligations to maintain tight markets--a benefit that ultimately accrues to the benefit of all market participants that trade on the Exchange. An ISE Market Maker may selected a Shared Gateway for their SQF ports at no cost. Further, the Exchange notes that no ISE Market Maker will be offered connectivity to GEMX in connection with this offering.

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)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,¹⁵ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the

¹⁴ See ISE Rule 804(e).

¹⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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

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-2018-15)

February __, 2018

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Gateway Fees

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 February 12, 2018, Nasdaq ISE, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange’s Schedule of Fees to remove obsolete text and amend the current rule text to provide a more accurate description of the Gateway Fees which 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

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

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

1. Purpose

The Exchange proposes to amend ISE's current pricing related to Gateways at VI, C of the Schedule of Fees. The Exchange's current gateway offering was modified with the completion of the transition of ISE to INET technology in July 2017. First, as of July 2017, the Exchange no longer offered a Shared Gateway for its DTI³ port to its Members. Second, the Exchange modified its offering of its Dedicated Gateway to remove the paired offering which allowed access to both ISE and Nasdaq GEMX, LLC ("GEMX"). Both of these changes are discussed in more detail below.

Shared Gateway

With the transition to INET, ISE no longer offered DTI ports as of July 2017. Prior to the replatform, ISE assessed Members a Shared Gateway fee of \$750 per gateway, per month for DTI ports. The offering provided connectivity to both ISE and GEMX. The Exchange no longer offers DTI ports and has not billed this fee since the decommissioning of the DTI ports in July 2017. No ISE Member will be offered a

³ DTI was an order entry protocol offered on ISE that was utilized by all members. DTI ports are not offered today.

Shared Gateway for a DTI port. Today, the Exchange does not assess a Shared Gateway fee for ports. ISE Members are able to utilize various ports today, namely, SQF, OTTO, FIX and Precise. The Exchange is noting a Shared Gateway fee of \$0 on the Schedule of Fees for clarity. The Shared Gateway fee shall apply to all ports including FIX, SQF, OTTO and Precise.

Dedicated Gateway and Dedicated SQF

The Exchange filed a rule change to establish a Dedicated SQF Host in 2017 to discuss the transition of gateway services in connection with the INET migration.⁴ In that rule change the Exchange noted it would offer Dedicated Gateways to facilitate member access to the Exchange.⁵ The filing described a Dedicated SQF Host as an optional offering available to Market Makers -- *i.e.*, Primary Market Makers (“PMMs”) and Competitive Market Makers (“CMMs”)--only for their SQF Port & SQF Purge Port connectivity.⁶ A Dedicated SQF Host provides the PMM or CMM with assurance that their SQF Port and SQF Purge Port connection to the Exchange resides on a host that is not shared with other PMMs and CMMs.

The Exchange’s Schedule of Fees currently provides for a Dedicated Gateway fee which is assessed at \$2,250 per gateway pair, per month. The Schedule of Fees notes that the gateway connectivity provides connectivity to both GEMX and ISE. Also, the Schedule of Fees notes a Dedicated SQF Host Fee of \$0 per host per month. The Exchange established the Dedicated SQF Host Fee at no cost because the Exchange did

⁴ See Securities and Exchange Act Release No. 81095 (July 7, 2017), 82 FR 32409 (July 13, 2017)(SR-ISE-2017-62).

⁵ Id.

⁶ Id. See also ISE Rule 100(a)(25).

not desire to double bill ISE Market Makers for two sets of SQF connectivity – one to the old T7 legacy system and one to the new INET system.

The Exchange discontinued its paired Dedicated Gateways in July 2017. Since that time the Exchange has not billed Market Makers for use of Dedicated Gateways. The Exchange has offered the Dedicated SQF Host at no cost. At this time, the Exchange proposes to increase and amend the dedicated offering. The Exchange proposes to eliminate the reference to a “Dedicated SQF Host Fee” and commence assessing a fee for the “Dedicated Gateway” offering. The Exchange proposes to continue to refer to the dedicated offering as the “Dedicated Gateway” and assess a fee of \$2,250 per SQF gateway, per month. Only Market Makers that utilize SQF ports have the option of utilizing this dedicated offering. Prior to the INET transition, all Members were able to utilize the dedicated offering for their DTI port. Today, only SQF ports, which are utilized by Market Makers, may be dedicated. All other ports, namely FIX, OTTO and Precise, can only be shared. An SQF port can be shared, at no cost, or dedicated. The current Dedicated SQF will not offer connectivity for GEMX and therefore the “pair” language is no longer relevant. The offering only grants access to ISE.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁸ in particular, in that it provides for the equitable allocation of reasonable dues, fees, and

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(4) and (5).

other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Shared Gateway

The Exchange believes that removing the obsolete pricing for the Shared Gateway for the DTI ports is reasonable because DTI ports are no longer available and the Exchange does not assess any other port a Shared Gateway fee. Also, the Exchange offers a Shared Gateway for any port, SQF, OTTO, FIX or Precise, at no cost.

The Exchange believes that removing the pricing for the Shared Gateway for DTI ports is equitable and not unfairly discriminatory because DTI ports are no longer available on ISE for any Member. Any Member may utilize a Shared Gateway at no cost.

Dedicated Gateway and Dedicated SQF

The Exchange believes that removing the current Dedicated Gateway paired pricing and the reference to the Dedicated SQF Host Fee, and increasing the fee for a dedicated offering, namely “Dedicated Gateway” fee from \$0⁹ to \$2,250 per SQF gateway, per month is reasonable. The Exchange discontinued the paired connectivity through the legacy T7 in July 2017. The Exchange offered these dedicated servers at no cost since August 2017. Increasing the Dedicated Gateway fee at this time permits the Exchange to recuperate costs it bears to offer such dedicated services and permits ISE Market Makers to select between a Shared Gateway and a Dedicated Gateway for their SQF ports. The Exchange believes that assessing a fee of \$2,250 per host, per month to obtain a dedicated server is reasonable given the cost of this offering to the Exchange.

⁹ The Exchange is not currently assessing a fee for a dedicated offering.

ISE Market Makers have the option of selecting a Shared Gateway for their SQF ports at no cost.

The Exchange believes that removing the current Dedicated Gateway paired pricing and the reference to the Dedicated SQF Host Fee, and increasing the fee for a dedicated offering, namely “Dedicated Gateway” fee from \$0 to \$2,250 per SQF gateway, per month is equitable and not unfairly discriminatory. At this time, no ISE Member is being assessed the paired Dedicated Gateway fees. Today, no ISE Market Maker is being assessed a Dedicated SQF Host fee. Any ISE Market Maker may select a Dedicated SQF, as compared to a Shared Gateway for their SQF connectivity. The Exchange will uniformly assess any ISE Market Maker the proposed \$2,250 per host, per month fee. ISE Market Makers are likely to benefit from a dedicated as compared to a shared gateway as compared to other market participants. Dedicated SQF is designed to provide a more deterministic experience for ISE Market Makers when quoting on the Exchange by allowing them to better load balance their trading sessions, but does not provide any latency benefit when compared to using the shared gateways, which are built on identical hardware to the dedicated gateways. The Exchange therefore believes that ISE Market Makers are likely to benefit from the load balancing provided by the dedicated gateways, which will aid ISE Market Makers in their obligations to maintain tight markets--a benefit that ultimately accrues to the benefit of all market participants that trade on the Exchange. Based on the Exchange’s experience, the Exchange does not believe that market participants using other protocols, namely FIX, OTTO and Precise, are likely to use dedicated gateways, and the Exchange is therefore not offering such Dedicated Gateways for any of ports other than SQF Ports.

The Exchange does not believe that it is unfairly discriminatory to offer Dedicated Gateways only for SQF ports, which are only available to ISE Market Makers. Other exchanges also have gateways that are restricted to market makers. The New York Stock Exchange, for example, offers DMM Gateways that are only available to their Designated Market Makers.¹⁰ ISE Market Makers provide liquidity on the Exchange and have continuous quoting obligations¹¹ to the market that require the ability to quickly and efficiently interact with their quotes and orders. Finally, with respect to assessing the same fee while discontinuing access to GEMX, the Exchange believes that is equitable and not unfairly discriminatory to no longer offer access to GEMX with this particular offering as other exchanges do not offer this option.¹²

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. In terms of inter-market competition, the Exchange notes other exchanges offer similar dedicated access to their servers.¹³ The Exchange operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order

¹⁰ See Securities Exchange Act Release No. 79748 (January 6, 2017), 82 FR 3828 (January 12, 2017) (SR-NYSE-2016-93).

¹¹ See ISE Rule 804(e).

¹² Nasdaq MRX, LLC has never offered a dedicated gateway option today.

¹³ See note 9 above.

routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In terms of intra-market competition, no ISE Member will be assessed for a Shared Gateway. The new proposed Dedicated Gateway fee will be uniformly assessed to ISE Market Makers, who provide liquidity on the Exchange and have continuous quoting obligations¹⁴ to the market. These market participants require the ability to quickly and efficiently interact with their quotes and orders. Further will respect to a Dedicated Gateways, the Exchange believes that ISE Market Makers are likely to benefit from the load balancing, which will aid ISE Market Makers in their obligations to maintain tight markets--a benefit that ultimately accrues to the benefit of all market participants that trade on the Exchange. An ISE Market Maker may selected a Shared Gateway for their SQF ports at no cost. Further, the Exchange notes that no ISE Market Maker will be offered connectivity to GEMX in connection with this offering.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.¹⁵ 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

¹⁴ See ISE Rule 804(e).

¹⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-ISE-2018-15 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-2018-15. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the

provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-ISE-2018-15 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.¹⁶

Eduardo A. Aleman
Assistant Secretary

¹⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text in brackets.

**Nasdaq ISE
Schedule of Fees**

* * * * *

VI. Access Services

* * * * *

C. Gateway Fees

[Shared Gateway* - \$750 per gateway per month.]

Shared Gateway – \$0

Dedicated Gateway[*] - \$2,250 per SQF gateway, [gateway pair]per month.

[* The connectivity provided under this section provides connectivity to both the Nasdaq ISE, LLC and Nasdaq GEMX, LLC.]

[Dedicated SQF Host Fee:# - \$0 per host per month]

[# The connectivity provided under this section applies to gateways used to connect to the re-platformed Nasdaq ISE trading system.]

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