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

File No.* SR - 2019 - * 02
Amendment No. (req. for Amendments *)

Filing by Nasdaq ISE, LLC

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

Initial * ☑ Amendment * ☐ Withdrawal ☐

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

Rule

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

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

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

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

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

Section 3C(b)(2) * ☐

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

Description

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

Proposal to amend ISE Rule 2009 to amend certain expiration timeframes and make a technical correction to the rule.

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 * Angela Last Name * Dunn
Title * Principal Associate General Counsel
E-mail * Angela.Dunn@nasdaq.com
Telephone * (215) 496-5692 Fax

Signature

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

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

Date 02/20/2019

By Edward S. Knight

(Name *)

(Title *)

Global Chief Legal and Policy Officer

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

edward.knight@nasdaq.com

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

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

1. Text of the Proposed Rule Change

(a) Nasdaq ISE, LLC ("ISE" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] is filing with the Securities and Exchange Commission ("SEC" or "Commission") a proposal to amend ISE Rule 2009, "Terms of Index Options Contracts," to amend certain expiration timeframes and make a technical correction to this rule.

The Exchange requests that the Commission waive the 30-day operative delay period contained in Exchange Act Rule 19b-4(f)(6)(iii).[3]

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange (the "Board") on September 26, 2018. 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.

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

2 17 CFR 240.19b-4.

3 17 CFR 240.19b-4(f)(6)(iii).

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 Rule 2009, "Terms of Index Options Contracts," to amend expirations for ISE index options. The Exchange also proposes to amend expirations related to the listing and trading, on a pilot basis, of p.m.-settled options on broad-based indexes with nonstandard expiration dates ("Nonstandard Program"). Finally, the Exchange proposes a technical amendment within ISE Rule 2009. Each rule change will be discussed below.

Expirations of Index Options

Rule 2009(a)(3) currently provides,

> *Expiration Months.* Index options contracts, including option contracts on a Foreign Currency Index, may expire at three (3)-month intervals or in consecutive months. The Exchange may list up to six (6) expiration months at any one time, but will not list index options that expire more than twelve (12) months out. Notwithstanding the preceding restriction, the Exchange may list up to seven expiration months at any one time for any broad-based security index option contracts (e.g. NDX, RUT) upon which any exchange calculates a constant three-month volatility index.

The Exchange proposes to re-title this section "Expiration Months and Weeks" and remove the following rule text, "…including option contracts on a Foreign Currency Index…" The Exchange currently lists no foreign currency indexes. Further, the Exchange proposes to modify its expiration timeframes, similar to Cboe Exchange, Inc.

("Cboe") Rule 24.9(a)(2), in three ways.[4] First, the Exchange proposes to simply reword the provision which refers to 6 standard monthly expirations from, "The Exchange may list up to six (6) expiration months at any one time, but will not list index options that expire more than twelve (12) months out" to "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." The meaning of the sentence is not being altered, rather the Exchange is simply rewording the sentence to mirror Cboe's rule text. Second, the Exchange proposes to add additional provisions for listing index options. The Exchange proposes to enable index options to be listed 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 up to 12 standard (monthly) expirations in NDX options similar to Cboe Rule 24.9(a)(2). Third, the Exchange proposes to remove the

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[4] Cboe Rule 24.9(a)(2) provides, "Expiration Months and Weeks. Index option contracts may expire at three-month intervals, in consecutive months or in consecutive weeks (as specified by class below). The Exchange may:

• list up to six standard monthly expirations at any one time in a class, but will not list index options that expire more than 12 months out;

• list 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 for CBOE S&P 500 AM/PM Basis, EAFE, EM, FTSE Emerging, FTSE Developed, FTSE 100, China 50, and S&P Select Sector Index (SIXM, SIXE, SIXT, SIXV, SIXU, SIXR, SIXI, SIXY, SIXB, and SIXRE, and SIXC) options;

• list up to 12 consecutive weekly expirations in VXST options; and

• list up to six weekly expirations and up to 12 standard (monthly) expirations in VIX options. The six weekly expirations shall be for the nearest weekly expirations from the actual listing date and weekly expirations may not expire in the same week in which standard (monthly) VIX options expire. Standard (monthly) expirations in VIX options are not counted as part of the maximum six weekly expirations permitted for VIX options."

final sentence of Rule 2009(a)(3), "Notwithstanding the preceding restriction, the Exchange may list up to seven expiration months at any one time for any broad-based security index option contracts (e.g. NDX, RUT) upon which any exchange calculates a constant three-month volatility index." The Exchange notes that the proposed new rule text would govern the listing of all index options and the new proposed text regarding 12 standard (monthly) expirations will govern the listing of NDX options, similar to Cboe's VIX product.

Nonstandard Expirations Pilot Program

The Exchange proposes to amend Rule 2009 at Supplementary Material .07(a) to modify the maximum number of expirations that may be listed for each Weekly expiration in the Nonstandard Program. Today, ISE Rule 2009 at Supplementary Material .07(a) provides, "The maximum number of expirations that may be listed for each Weekly Expiration (i.e., a Monday expiration, Wednesday expiration, or Friday expiration, as applicable) in a given class is the same as the maximum number of expirations permitted for standard options on the same broad-based index." The Exchange proposes to instead provide, "The maximum number of expirations that may be listed for each Weekly Expiration (i.e., a Monday expiration, Wednesday expiration, or Friday expiration, as applicable) in a given class is the maximum number of expirations permitted for standard index options in Rule 2009(a)(3)." This provision would be modified to reference the proposed new rule text proposed within Rule 2009(a)(3).

The Exchange notes that Cboe Rule 24.9(e)(1) references Cboe Rule 24.9(a)(2) for the maximum number of expirations for weekly expirations in the nonstandard expirations pilot program. This proposed amendment to ISE's Nonstandard Program would amend the maximum expirations so they would be similar to expirations on Cboe.

Technical Amendment

The Exchange proposes to amend a sentence within Rule 2009 at Supplementary Material .07(a) which currently provides, “Weekly Expirations that are first listed in a given class may expire up to four weeks from the actual listing date.” The Exchange proposes to amend this sentence to replace the word “first” with “initially.” The Exchange is not proposing to amend the meaning of this sentence, rather the Exchange proposes to make clear that the word “initially” applies to the four week expiration period for listing initial weeklies in the Nonstandard Program.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[5] in general, and furthers the objectives of Section 6(b)(5) of the Act,[6] 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, by expanding the permissible expirations periods for index options and the Nonstandard Program to permit the listing of additional expirations. This proposal will conform ISE’s ability to list index options expirations similar to Cboe.

Expirations of Index Options

Today, the Exchange may only list up to six standard monthly expirations at any one time in a class, but will not list index options that expire more than twelve months out and up to seven expiration months at any one time for any broad-based security index

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

[6] 15 U.S.C. 78f(b)(5).

option contracts. With this proposal the Exchange may still list up to six standard monthly expirations at any one time in a class but may also list up to twelve standard monthly expirations at any one time for any class that the Exchange (as the Reporting Authority) uses to calculate a volatility index; and up to twelve standard (monthly) expirations in NDX options. This expanded ability will enable the Exchange to offer Members additional expirations on index options and compete more effectively with other markets to offer additional venues to trade index options. Further, this proposal will permit the Exchange to list similar index options as are listed by Cboe today, including in the Nonstandard Program.

<u>Nonstandard Expirations Pilot Program</u>

The Exchange's proposal to amend Rule 2009 at Supplementary Material .07(a) to modify the maximum number of expirations that may be listed for each Weekly expiration in the Nonstandard Program to the proposed new expiration timeframes is consistent with the Act because today those timeframes refer to the timeframes for standard listed options. Providing for the maximum numbers of expirations permitted under the Nonstandard Program within the standard index options rule will clarify the timeframes and eliminate any potential ambiguity about the maximum numbers of expirations permitted under the Nonstandard Program. Additionally, this amendment will align the Exchange's Nonstandard Program to Cboe's nonstandard program.

<u>Technical Amendment</u>

The Exchange's proposal amend a sentence within Rule 2009 at Supplementary Material .07(a) by replacing the word "first" with "initially" is consistent with the Act because it will make clear the meaning of the term and the meaning. The Exchange is not proposing to amend the meaning of this sentence, rather the Exchange proposes to make clear that the word "initially" applies to the four week expiration period for listing initial weeklies in the Nonstandard Program. Also deleting a reference to foreign currency indexes will clarify Rule 2009(a)(3).

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. Specifically, the Exchange does not believe the proposal will impose any burden on intramarket competition as all market participants will be treated in the same manner with respect to expirations of index options. Additionally, the Exchange does not believe the proposal will impose any burden on intermarket competition as market participants are welcome to become ISE Members and trade at ISE if they determine that this proposed rule change has made ISE more attractive or favorable. Finally, all options exchanges are free to compete by listing and trading their own broad-based index options with similar expirations. This proposal will permit ISE to compete with Cboe with respect to listing expirations on index options.

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

The Exchange does not consent to an extension of the time period for Commission action.

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)[7] of the Act and Rule 19b-4(f)(6) thereunder[8] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) 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 does not believes that this proposal significantly affects the protection of investors or the public interest because the Exchange will have an expanded ability to offer Members additional expirations on index options and compete more effectively with other markets to offer additional venues to trade index options. Further this proposal will permit the Exchange to list similar index options as are listed by Cboe today, including in the Nonstandard Program. Also, providing for the maximum numbers of expirations permitted under the Nonstandard Program within the standard index options rule will clarify the timeframes and eliminate any potential ambiguity about the maximum numbers of expirations permitted under the Nonstandard Program. Finally, the Exchange proposes to make clear that the word “initially” applies to the four week expiration period for listing initial weeklies in the Nonstandard Program. Also deleting a reference to foreign currency indexes will clarify Rule 2009(a)(3). The Exchange does not believe that this proposal imposes a significant burden on competition because all market participants will be treated in the same manner with respect to expirations of index options. This proposal will permit ISE to compete with Cboe with respect to listing

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7 15 U.S.C. 78s(b)(3)(A)(iii).

8 17 CFR 240.19b-4(f)(6).

expirations on index options. Additionally, this amendment will align the Exchange's Nonstandard Program to Cboe's nonstandard program.

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.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange may list expirations on index options and in the Nonstandard Program similar to Cboe. This proposal will offer market participants an additional venue to transact certain index option expirations that ISE may not list today under its current rules.

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

The proposal is based on Cboe Rule 24.9.

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-2019-02)

February __, 2019

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Certain Expiration Timeframes in ISE Rule 2009

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 20, 2019, 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 ISE Rule 2009, “Terms of Index Options Contracts,” to amend certain expiration timeframes and make a technical correction to this rule.

The text of the proposed rule change is available on the Exchange’s Website at http://ise.cchwallstreet.com/, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

[2] 17 CFR 240.19b-4.

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

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

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

1. Purpose

The Exchange proposes to amend Rule 2009, "Terms of Index Options Contracts," to amend expirations for ISE index options. The Exchange also proposes to amend expirations related to the listing and trading, on a pilot basis, of p.m.-settled options on broad-based indexes with nonstandard expiration dates ("Nonstandard Program"). Finally, the Exchange proposes a technical amendment within ISE Rule 2009. Each rule change will be discussed below.

Expirations of Index Options

Rule 2009(a)(3) currently provides,

> *Expiration Months.* Index options contracts, including option contracts on a Foreign Currency Index, may expire at three (3)-month intervals or in consecutive months. The Exchange may list up to six (6) expiration months at any one time, but will not list index options that expire more than twelve (12) months out. Notwithstanding the preceding restriction, the Exchange may list up to seven expiration months at any one time for any broad-based security index option contracts (e.g. NDX, RUT) upon which any exchange calculates a constant three-month volatility index.

The Exchange proposes to re-title this section "Expiration Months and Weeks" and remove the following rule text, "…including option contracts on a Foreign Currency

Index…" The Exchange currently lists no foreign currency indexes. Further, the Exchange proposes to modify its expiration timeframes, similar to Cboe Exchange, Inc. ("Cboe") Rule 24.9(a)(2), in three ways.[3] First, the Exchange proposes to simply reword the provision which refers to 6 standard monthly expirations from, "The Exchange may list up to six (6) expiration months at any one time, but will not list index options that expire more than twelve (12) months out" to "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." The meaning of the sentence is not being altered, rather the Exchange is simply rewording the sentence to mirror Cboe's rule text. Second, the Exchange proposes to add additional provisions for listing index options. The Exchange proposes to enable index options to be listed up to 12 standard monthly expirations at any one time for any class that the Exchange (as the Reporting Authority)

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[3] Cboe Rule 24.9(a)(2) provides, "Expiration Months and Weeks. Index option contracts may expire at three-month intervals, in consecutive months or in consecutive weeks (as specified by class below). The Exchange may:

• list up to six standard monthly expirations at any one time in a class, but will not list index options that expire more than 12 months out;

• list 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 for CBOE S&P 500 AM/PM Basis, EAFE, EM, FTSE Emerging, FTSE Developed, FTSE 100, China 50, and S&P Select Sector Index (SIXM, SIXE, SIXT, SIXV, SIXU, SIXR, SIXI, SIXY, SIXB, and SIXRE, and SIXC) options;

• list up to 12 consecutive weekly expirations in VXST options; and

• list up to six weekly expirations and up to 12 standard (monthly) expirations in VIX options. The six weekly expirations shall be for the nearest weekly expirations from the actual listing date and weekly expirations may not expire in the same week in which standard (monthly) VIX options expire. Standard (monthly) expirations in VIX options are not counted as part of the maximum six weekly expirations permitted for VIX options."

uses to calculate a volatility index; and up to 12 standard (monthly) expirations in NDX options similar to Cboe Rule 24.9(a)(2). Third, the Exchange proposes to remove the final sentence of Rule 2009(a)(3), "Notwithstanding the preceding restriction, the Exchange may list up to seven expiration months at any one time for any broad-based security index option contracts (e.g. NDX, RUT) upon which any exchange calculates a constant three-month volatility index." The Exchange notes that the proposed new rule text would govern the listing of all index options and the new proposed text regarding 12 standard (monthly) expirations will govern the listing of NDX options, similar to Cboe's VIX product.

Nonstandard Expirations Pilot Program

The Exchange proposes to amend Rule 2009 at Supplementary Material .07(a) to modify the maximum number of expirations that may be listed for each Weekly expiration in the Nonstandard Program. Today, ISE Rule 2009 at Supplementary Material .07(a) provides, "The maximum number of expirations that may be listed for each Weekly Expiration (i.e., a Monday expiration, Wednesday expiration, or Friday expiration, as applicable) in a given class is the same as the maximum number of expirations permitted for standard options on the same broad-based index." The Exchange proposes to instead provide, "The maximum number of expirations that may be listed for each Weekly Expiration (i.e., a Monday expiration, Wednesday expiration, or Friday expiration, as applicable) in a given class is the maximum number of expirations permitted for standard index options in Rule 2009(a)(3)." This provision would be modified to reference the proposed new rule text proposed within Rule 2009(a)(3).

The Exchange notes that Cboe Rule 24.9(e)(1) references Cboe Rule 24.9(a)(2) for the maximum number of expirations for weekly expirations in the nonstandard expirations pilot program. This proposed amendment to ISE's Nonstandard Program would amend the maximum expirations so they would be similar to expirations on Cboe.

Technical Amendment

The Exchange proposes to amend a sentence within Rule 2009 at Supplementary Material .07(a) which currently provides, "Weekly Expirations that are first listed in a given class may expire up to four weeks from the actual listing date." The Exchange proposes to amend this sentence to replace the word "first" with "initially." The Exchange is not proposing to amend the meaning of this sentence, rather the Exchange proposes to make clear that the word "initially" applies to the four week expiration period for listing initial weeklies in the Nonstandard Program.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[4] in general, and furthers the objectives of Section 6(b)(5) of the Act,[5] 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, by expanding the permissible expirations periods for index options and the Nonstandard Program to permit the listing of additional expirations. This proposal will conform ISE's ability to list index options expirations similar to Cboe.

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

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

Expirations of Index Options

Today, the Exchange may only list up to six standard monthly expirations at any one time in a class, but will not list index options that expire more than twelve months out and up to seven expiration months at any one time for any broad-based security index option contracts. With this proposal the Exchange may still list up to six standard monthly expirations at any one time in a class but may also list up to twelve standard monthly expirations at any one time for any class that the Exchange (as the Reporting Authority) uses to calculate a volatility index; and up to twelve standard (monthly) expirations in NDX options. This expanded ability will enable the Exchange to offer Members additional expirations on index options and compete more effectively with other markets to offer additional venues to trade index options. Further, this proposal will permit the Exchange to list similar index options as are listed by Cboe today, including in the Nonstandard Program.

Nonstandard Expirations Pilot Program

The Exchange's proposal to amend Rule 2009 at Supplementary Material .07(a) to modify the maximum number of expirations that may be listed for each Weekly expiration in the Nonstandard Program to the proposed new expiration timeframes is consistent with the Act because today those timeframes refer to the timeframes for standard listed options. Providing for the maximum numbers of expirations permitted under the Nonstandard Program within the standard index options rule will clarify the timeframes and eliminate any potential ambiguity about the maximum numbers of expirations permitted under the Nonstandard Program. Additionally, this amendment will align the Exchange's Nonstandard Program to Cboe's nonstandard program.

Technical Amendment

The Exchange's proposal amend a sentence within Rule 2009 at Supplementary Material .07(a) by replacing the word "first" with "initially" is consistent with the Act because it will make clear the meaning of the term and the meaning. The Exchange is not proposing to amend the meaning of this sentence, rather the Exchange proposes to make clear that the word "initially" applies to the four week expiration period for listing initial weeklies in the Nonstandard Program. Also deleting a reference to foreign currency indexes will clarify Rule 2009(a)(3).

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. Specifically, the Exchange does not believe the proposal will impose any burden on intramarket competition as all market participants will be treated in the same manner with respect to expirations of index options. Additionally, the Exchange does not believe the proposal will impose any burden on intermarket competition as market participants are welcome to become ISE Members and trade at ISE if they determine that this proposed rule change has made ISE more attractive or favorable. Finally, all options exchanges are free to compete by listing and trading their own broad-based index options with similar expirations. This proposal will permit ISE to compete with Cboe with respect to listing expirations on index options.

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 as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act[6] and subparagraph (f)(6) of Rule 19b-4 thereunder.[7]

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:

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or

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6 15 U.S.C. 78s(b)(3)(A)(iii).

7 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.

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-ISE-2019-02 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-2019-02. 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-2019-02 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.[8]

Eduardo A. Aleman
Assistant Secretary

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[8] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

Nasdaq ISE, LLC Rules

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Rule 2009. Terms of Index Options Contracts

(a) *General.*

(1) and **(2)** No change.

(3) *Expiration Months and Weeks.* Index options contracts[, including option contracts on a Foreign Currency Index,] 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, [expiration months at any one time,] 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. [Notwithstanding the preceding restriction, the Exchange may list up to seven expiration months at any one time for any broad-based security index option contracts (e.g. NDX, RUT) upon which any exchange calculates a constant three-month volatility index.]

(4) – (6) No change.

(b) – (e) No change.

Supplementary Material to Rule 2009

.01 - .06 No change.

.07 **Nonstandard Expirations Pilot Program**

(a) **Weekly Expirations**. The Exchange may open for trading Weekly Expirations on any broad-based index eligible for standard options trading to expire on any Monday, Wednesday, or Friday (other than the third Friday-of-the-month or days that coincide with an EOM expiration). Weekly Expirations shall be subject to all provisions of this Rule and treated the same as options on the same underlying index that expire on the third Friday of the expiration month; provided, however, that Weekly Expirations shall be P.M.-settled and new series in Weekly Expirations may be added up to and including on the expiration date for an expiring Weekly Expiration.

The maximum number of expirations that may be listed for each Weekly Expiration (i.e., a Monday expiration, Wednesday expiration, or Friday expiration, as applicable) in a given class is the [same as the]maximum number of expirations permitted for standard index options in Rule 2009(a)(3)[on the same broad-based index]. Weekly Expirations need not be for consecutive Monday, Wednesday, or Friday expirations as applicable; however, the expiration date of a non-consecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. Weekly Expirations that are [first]initially listed in a given class may expire up to four weeks from the actual listing date. If the last trading day of a month is a Monday, Wednesday, or Friday and the Exchange lists EOMs and Weekly Expirations as applicable in a given class, the Exchange will list an EOM instead of a Weekly Expiration in the given class. Other expirations in the same class are not counted as part of the maximum number of Weekly Expirations for a broad-based index class. If the Exchange is not open for business on a respective Monday, the normally Monday expiring Weekly Expirations will expire on the following business day. If the Exchange is not open for business on a respective Wednesday or Friday, the normally Wednesday or Friday expiring Weekly Expirations will expire on the previous business day.

(b) – (d) No change.

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