

Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2025 - * 09

Amendment No. (req. for Amendments *)

Filing by Nasdaq ISE, LLC

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

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *

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 *).

A proposal to amend ISE FLEX trading rules to clarify how the Exchange would handle FLEX orders if the designated length of a FLEX auction period exceeds the market close

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 * Sun Last Name * Kim

Title * Senior Associate General Counsel

E-mail * sun.kim@nasdaq.com

Telephone * (646) 420-7816 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Nasdaq ISE, LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 03/07/2025


(Title *)

By John Zecca

EVP and Chief Legal Officer

(Name *)

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

 Date: 2025.03.07 13:50:57 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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SR-ISE-2025-09 19b-4.docx

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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SR-ISE-2025-09 Exhibit 1.docx

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 Advanced 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 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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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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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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 Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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SR-ISE-2025-09 Exhibit 5.docx

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 its FLEX trading rules to clarify how the Exchange would handle FLEX orders if the designated length of a FLEX auction period exceeds the market close.

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 (the “Board”). 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:

Sun Kim
Senior Associate General Counsel
Nasdaq, Inc.
646-420-7816

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 previously received approval for electronic FLEX trading.³ In the FLEX Approval Order, the Exchange made certain representations about how it would handle FLEX Orders⁴ if the designated length of a FLEX auction period exceeds the market close. Specifically for electronic FLEX Auctions, the Exchange provided in Options 3A, Section 11(b)(1)(F) that the submitting Exchange member (“Member”) must designate the length of the “exposure interval,” which must be between three seconds and five minutes. If the designated time exceeds the market close, then the FLEX Auction will end at the market close with an execution, if an execution is permitted pursuant to Options 3A, Section 11(b). For FLEX Price Improvement Mechanism auctions (“FLEX PIM”) in Options 3A, Section 12(c)(3), the Exchange similarly provided the “FLEX PIM Auction period” is a period of time that must be designated by the Initiating Member, which may be no less than three seconds and no more than five minutes. Similar to the electronic FLEX Auction described above, if the designated length of the FLEX PIM auction period exceeds the market close, then the auction will end at the market close with an execution, if an execution is permitted by Options 3A, Section 12. For FLEX Solicited Order Mechanism auctions (“FLEX SOM”) in Options 3A, Section 13(c)(3),

³ See Securities Exchange Act Release No. 101720 (November 22, 2024), 89 FR 94986 (November 29, 2024) (SR-ISE-2024-12) (“FLEX Approval Order”). The FLEX Approval Order is approved, but not yet implemented. As stated in that rule change, the Exchange plans to implement the changes in the FLEX Approval Order by May 12, 2025. As discussed below, this proposed rule change would be implemented on the same day that the FLEX changes in the FLEX Approval Order are implemented.

⁴ The term “FLEX Order” means an order submitted in a FLEX Option pursuant to Options 3A. See Options 3A, Section 1(b)(2).

the Exchange provided that the “FLEX SOM Auction period” is a period of time that must be designated by the Initiating Member, which may be no less than three seconds and no more than five minutes. Similar to the electronic FLEX Auction and FLEX PIM Auction discussed above, if the designated length of the FLEX SOM Auction period exceeds the market close, then the auction will end at market close with an execution, if an execution is permitted by this Section 13. For each of the FLEX auctions discussed above, the Exchange represented that it was allowing the FLEX auctions to end at the market close with an execution (if an execution would be permitted under the respective FLEX rules) to follow current non-FLEX auction behavior, including current non-FLEX Price Improvement Mechanism auction (“PIM”) and non-FLEX Solicited Order Mechanism auction (“SOM”).⁵

It has come to the Exchange’s attention, however, that PIM and SOM do not end at the market close with an execution. Instead, if the respective auction time periods for PIM or SOM exceed the market close, the Exchange accepts the PIM or SOM order, but the PIM or SOM auction terminates at the market close without an execution.

Accordingly, the Exchange proposes to align its FLEX auction functionality to its current non-FLEX auction behavior.⁶ Specifically, if the designated FLEX auction time periods for the three FLEX auctions discussed above exceed the market close, the FLEX Order will be accepted but the FLEX auctions will terminate at the market close without an execution of the FLEX Order. Because the Exchange is no longer proposing to execute

⁵ The current rules for PIM and SOM do not include this detail, and are silent with respect to this behavior.

⁶ As noted above, the Exchange has not implemented FLEX trading yet, and therefore expects no impact on market participants due to this corrective change. See supra note 3.

the FLEX Order in the foregoing instances, the Exchange will correct the FLEX auction rules described above so that they no longer reflect that the respective FLEX auctions would end at the market close with an execution. Instead, the Exchange proposes to replace each instance in the FLEX rules that discusses allowing auction executions at the market close with a more generic prohibition against designating the length of a FLEX auction period to go beyond the market close.⁷ This would align the Exchange's FLEX rules to the FLEX rules of Cboe Exchange, Inc. ("Cboe").⁸

Implementation

The Exchange proposes to implement this corrective change on the same day that the FLEX changes in the FLEX Approval Order are implemented, which is expected to occur on April 7, 2025.⁹

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ 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. As discussed above, the Exchange is proposing to delete the current rule text in Options 3A, Sections 11(b)(1)(F), 12(c)(3), and 13(c)(3) providing that if the designated FLEX auction time

⁷ See proposed Options 3A, Sections 11(b)(1)(F), 12(c)(3), and 13(c)(3).

⁸ See Cboe Rule 5.72(c)(1)(F), Cboe Rule 5.73(c)(3), and Cboe Rule 5.74(c)(3).

⁹ See OTU #2025-2 at <https://www.nasdaqtrader.com/MicroNews.aspx?id=OTU2025-2>.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

periods for the electronic FLEX Auction, FLEX PIM, and FLEX SOM, as applicable, exceed the market close, then the respective FLEX auction would end at the market close with an execution, if an execution is permitted under the respective FLEX auction rules. As discussed above, that level of detail was added in error to the FLEX auction rules, as the PIM and SOM do not currently allow for executions at the market close if their respective auction time periods exceed the market close. The proposed amendments to remove such language from the FLEX rules would therefore ensure that the Exchange's rules are accurate and would avoid potential confusion about FLEX auction behavior. Instead, the Exchange will replace the above language with a more general prohibition stating that the designated length of the respective FLEX auction periods may not be longer than the amount of time remaining until the market close to align to Cboe's FLEX rules.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. The proposed rule change is designed to remove incorrect rule text, and instead, align to another options exchange's FLEX rules. Accordingly, the Exchange believes that its proposal will serve to reduce potential confusion about FLEX auction behavior.

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.

¹² See Cboe Rule 5.72(c)(1)(F), Cboe Rule 5.73(c)(3), and Cboe Rule 5.74(c)(3).

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)¹³ of the Act and Rule 19b-4(f)(6) thereunder¹⁴ 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 believes that its proposal does not significantly affect the protection of investors or the public interest because the proposed rule change removes incorrect rule text and aligns to Cboe's FLEX rules.¹⁵ Accordingly, the proposed rule change will enhance clarity and accuracy in the Exchange's FLEX rules. Further, as noted above, the Exchange has not implemented FLEX trading yet, and therefore expects no impact on market participants due to this corrective change. The Exchange also believes that the proposed rule change does not impose any significant burden on competition for the same foregoing reasons.

Furthermore, Rule 19b-4(f)(6)(iii)¹⁶ 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.

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6).

¹⁵ See Cboe Rule 5.72(c)(1)(F), Cboe Rule 5.73(c)(3), and Cboe Rule 5.74(c)(3).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

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 can implement this proposal on the same day that the FLEX changes in the FLEX Approval Order are implemented, which is expected to occur on April 7, 2025.

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-2025-09)

March __, 2025

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend its FLEX Trading Rules

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 March 7, 2025, Nasdaq ISE, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend its FLEX trading rules to clarify how the Exchange would handle FLEX orders if the designated length of a FLEX auction period exceeds the market close.

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/ise/rulefilings>, 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 previously received approval for electronic FLEX trading.³ In the FLEX Approval Order, the Exchange made certain representations about how it would handle FLEX Orders⁴ if the designated length of a FLEX auction period exceeds the market close. Specifically for electronic FLEX Auctions, the Exchange provided in Options 3A, Section 11(b)(1)(F) that the submitting Exchange member (“Member”) must designate the length of the “exposure interval,” which must be between three seconds and five minutes. If the designated time exceeds the market close, then the FLEX Auction will end at the market close with an execution, if an execution is permitted pursuant to Options 3A, Section 11(b). For FLEX Price Improvement Mechanism auctions (“FLEX PIM”) in Options 3A, Section 12(c)(3), the Exchange similarly provided the “FLEX PIM

³ See Securities Exchange Act Release No. 101720 (November 22, 2024), 89 FR 94986 (November 29, 2024) (SR-ISE-2024-12) (“FLEX Approval Order”). The FLEX Approval Order is approved, but not yet implemented. As stated in that rule change, the Exchange plans to implement the changes in the FLEX Approval Order by May 12, 2025. As discussed below, this proposed rule change would be implemented on the same day that the FLEX changes in the FLEX Approval Order are implemented.

⁴ The term “FLEX Order” means an order submitted in a FLEX Option pursuant to Options 3A. See Options 3A, Section 1(b)(2).

Auction period” is a period of time that must be designated by the Initiating Member, which may be no less than three seconds and no more than five minutes. Similar to the electronic FLEX Auction described above, if the designated length of the FLEX PIM auction period exceeds the market close, then the auction will end at the market close with an execution, if an execution is permitted by Options 3A, Section 12. For FLEX Solicited Order Mechanism auctions (“FLEX SOM”) in Options 3A, Section 13(c)(3), the Exchange provided that the “FLEX SOM Auction period” is a period of time that must be designated by the Initiating Member, which may be no less than three seconds and no more than five minutes. Similar to the electronic FLEX Auction and FLEX PIM Auction discussed above, if the designated length of the FLEX SOM Auction period exceeds the market close, then the auction will end at market close with an execution, if an execution is permitted by this Section 13. For each of the FLEX auctions discussed above, the Exchange represented that it was allowing the FLEX auctions to end at the market close with an execution (if an execution would be permitted under the respective FLEX rules) to follow current non-FLEX auction behavior, including current non-FLEX Price Improvement Mechanism auction (“PIM”) and non-FLEX Solicited Order Mechanism auction (“SOM”).⁵

It has come to the Exchange’s attention, however, that PIM and SOM do not end at the market close with an execution. Instead, if the respective auction time periods for PIM or SOM exceed the market close, the Exchange accepts the PIM or SOM order, but the PIM or SOM auction terminates at the market close without an execution.

Accordingly, the Exchange proposes to align its FLEX auction functionality to its current

⁵ The current rules for PIM and SOM do not include this detail, and are silent with respect to this behavior.

non-FLEX auction behavior.⁶ Specifically, if the designated FLEX auction time periods for the three FLEX auctions discussed above exceed the market close, the FLEX Order will be accepted but the FLEX auctions will terminate at the market close without an execution of the FLEX Order. Because the Exchange is no longer proposing to execute the FLEX Order in the foregoing instances, the Exchange will correct the FLEX auction rules described above so that they no longer reflect that the respective FLEX auctions would end at the market close with an execution. Instead, the Exchange proposes to replace each instance in the FLEX rules that discusses allowing auction executions at the market close with a more generic prohibition against designating the length of a FLEX auction period to go beyond the market close.⁷ This would align the Exchange's FLEX rules to the FLEX rules of Cboe Exchange, Inc. ("Cboe").⁸

Implementation

The Exchange proposes to implement this corrective change on the same day that the FLEX changes in the FLEX Approval Order are implemented, which is expected to occur on April 7, 2025.⁹

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular,

⁶ As noted above, the Exchange has not implemented FLEX trading yet, and therefore expects no impact on market participants due to this corrective change. See supra note 3.

⁷ See proposed Options 3A, Sections 11(b)(1)(F), 12(c)(3), and 13(c)(3).

⁸ See Cboe Rule 5.72(c)(1)(F), Cboe Rule 5.73(c)(3), and Cboe Rule 5.74(c)(3).

⁹ See OTU #2025-2 at <https://www.nasdaqtrader.com/MicroNews.aspx?id=OTU2025-2>.

¹⁰ 15 U.S.C. 78f(b).

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. As discussed above, the Exchange is proposing to delete the current rule text in Options 3A, Sections 11(b)(1)(F), 12(c)(3), and 13(c)(3) providing that if the designated FLEX auction time periods for the electronic FLEX Auction, FLEX PIM, and FLEX SOM, as applicable, exceed the market close, then the respective FLEX auction would end at the market close with an execution, if an execution is permitted under the respective FLEX auction rules. As discussed above, that level of detail was added in error to the FLEX auction rules, as the PIM and SOM do not currently allow for executions at the market close if their respective auction time periods exceed the market close. The proposed amendments to remove such language from the FLEX rules would therefore ensure that the Exchange's rules are accurate and would avoid potential confusion about FLEX auction behavior. Instead, the Exchange will replace the above language with a more general prohibition stating that the designated length of the respective FLEX auction periods may not be longer than the amount of time remaining until the market close to align to Cboe's FLEX rules.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. The proposed rule change is designed to remove incorrect rule text, and instead,

¹¹ 15 U.S.C. 78f(b)(5).

¹² See Cboe Rule 5.72(c)(1)(F), Cboe Rule 5.73(c)(3), and Cboe Rule 5.74(c)(3).

align to another options exchange's FLEX rules. Accordingly, the Exchange believes that its proposal will serve to reduce potential confusion about FLEX auction behavior.

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 Act¹³ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁴

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.

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) 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.

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-ISE-2025-09 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-2025-09. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://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 a.m. and 3

p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-ISE-2025-09 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

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

Sherry R. Haywood,

Assistant Secretary.

¹⁵ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

NASDAQ ISE, LLC RULES

* * * * *

Options 3A FLEX Options Trading Rules

* * * * *

Section 11. FLEX Options Trading

* * * * *

(b) **Electronic FLEX Auctions.** A Member may electronically submit a FLEX Order (simple or complex) into an electronic FLEX Auction for execution pursuant to this paragraph (b).

(1) **Eligibility Requirements.** The submitting Member may initiate a FLEX Auction if all of the following conditions are met:

* * * * *

(F) **Exposure Interval.** The submitting Member must designate the length of the “**exposure interval**,” which must be between three seconds and five minutes. [If the designated time exceeds the market close, then the FLEX Auction will end at the market close with an execution, if an execution is permitted pursuant to this paragraph (b)]The designated time may not go beyond the market close.

* * * * *

Section 12. FLEX Price Improvement Mechanism (“FLEX PIM” or “FLEX PIM Auction”)

* * * * *

(c) **FLEX PIM Auction Process.** Upon receipt of an Agency Order that meets the conditions in paragraphs (a) and (b), the FLEX PIM Auction process commences.

* * * * *

(3) **FLEX PIM Auction Period.** The “**FLEX PIM Auction period**” is a period of time that must be designated by the Initiating Member, which may be no less than three seconds and no more than five minutes. [If the designated length of the

FLEX PIM Auction period exceeds the market close, then the auction will end at the market close with an execution, if an execution is permitted by this Section 12] The designated length of the FLEX PIM Auction period may not be longer than the amount of time remaining until the market close.

* * * * *

Section 13. FLEX Solicited Order Mechanism (“FLEX SOM” or “FLEX SOM Auction”)

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(c) FLEX SOM Auction Process. Upon receipt of an Agency Order that meets the conditions in paragraphs (a) and (b), the FLEX SOM Auction process commences.

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(3) FLEX SOM Auction Period. The “FLEX SOM Auction period” is a period of time that must be designated by the Initiating Member, which may be no less than three seconds and no more than five minutes. [If the designated length of the FLEX SOM Auction period exceeds the market close, then the auction will end at market close with an execution, if an execution is permitted by this Section 13] The designated length of the FLEX SAM Auction period may not be longer than the amount of time remaining until the market close.

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