

implementation began on April 8, 2013 and was completed on May 3, 2013. Implementation of Phase II of the Plan began on August 5, 2013 and was completed on February 24, 2014. Pursuant to this proposed amendment, the Participants propose to extend the pilot period so that it is set to end April 22, 2016.

#### *E. Analysis of Impact on Competition*

The proposed amendment to the Plan does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The Participants do not believe that the proposed Plan introduces terms that are unreasonably discriminatory for the purposes of Section 11A(c)(1)(D) of the Exchange Act.

#### *F. Written Understanding or Agreements Relating to Interpretation of, or Participation in the Plan*

The Participants have no written understandings or agreements relating to interpretation of the Plan. Section II(C) of the Plan sets forth how any entity registered as a national securities exchange or national securities association may become a Participant.

#### *G. Approval of Amendment of the Plan*

Each of the Plan's Participants has executed a written amended Plan.

#### *H. Terms and Conditions of Access*

Section II(C) of the Plan provides that any entity registered as a national securities exchange or national securities association under the Exchange Act may become a Participant by: (1) Becoming a participant in the applicable Market Data Plans, as defined in Section I(F) of the Plan; (2) executing a copy of the Plan, as then in effect; (3) providing each then-current Participant with a copy of such executed Plan; and (4) effecting an amendment to the Plan as specified in Section III(B) of the Plan.

#### *I. Method of Determination and Imposition, and Amount of, Fees and Charges*

Not applicable.

#### *J. Method and Frequency of Processor Evaluation*

Not applicable.

#### *K. Dispute Resolution*

Section III(C) of the Plan provides for each Participant to designate an individual to represent the Participant as a member of an Operating Committee. No later than the initial date of the Plan, the Operating Committee shall designate one member of the Operating Committee

to act as the Chair of the Operating Committee. Any recommendation for an amendment to the Plan from the Operating Committee that receives an affirmative vote of at least two-thirds of the Participants, but is less than unanimous, shall be submitted to the Commission as a request for an amendment to the Plan initiated by the Commission under Rule 608.

On July 30, 2015, the Operating Committee, duly constituted and chaired by Ms. Karen Lorentz of the NYSE, on behalf of Committee Chairman Mr. Christopher B. Stone of FINRA, met and voted unanimously to amend the Plan as set forth herein in accordance with Section III(C) of the Plan. The Plan Advisory Committee was notified in connection with the Ninth Amendment and was in favor.

#### **III. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed Ninth Amendment 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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number 4-631 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 4-631. 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 Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the Plan that are filed with the Commission, and all written communications relating to the Plan 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 Web site 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 Participants' principal offices. 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 4-631 and should be submitted on or before October 9, 2015.

By the Commission.

**Brent J. Fields,**  
*Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-75912; File No. SR-ISE-2015-27]

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

September 14, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 1, 2015, the International Securities Exchange, LLC (the "Exchange" or the "ISE") filed with the Securities and Exchange Commission the proposed rule change, as described in Items I, II, and III below, which items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### **I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change**

The ISE proposes to amend the Schedule of Fees to increase certain complex order fees and rebates as described in more detail below. The text of the proposed rule change is available on the Exchange's Web site (<http://www.ise.com>), at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization included

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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 self-regulatory organization has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange currently provides volume-based tiered rebates for Priority Customer<sup>3</sup> complex orders when these orders trade with non-Priority Customer orders in the complex order book, or trade with quotes and orders on the regular order book. These complex order rebates are provided to members based on the member's average daily volume ("ADV") in Priority Customer complex orders in six volume tiers as follows: 0 to 29,999 contracts (Tier 1), 30,000 to 59,999 contracts (Tier 2), 60,000 to 99,999 contracts (Tier 3), 100,000 to 149,999 contracts (Tier 4), 150,000 to 199,999 contracts (Tier 5), and 200,000 or more contracts (Tier 6). Currently, Priority Customer complex orders receive a rebate of \$0.30 per contract in Select Symbols<sup>4</sup> and \$0.63 per contract in Non-Select Symbols<sup>5</sup> for Tier 1, \$0.35 per contract in Select Symbols and \$0.71 per contract in Non-Select Symbols for Tier 2, \$0.40 per contract in Select Symbols and \$0.78 per contract in Non-Select Symbols for Tier 3, \$0.43 per contract in Select Symbols and \$0.80 per contract in Non-Select Symbols for Tier 4, \$0.45 per contract in Select Symbols and \$0.82 per contract in Non-Select Symbols for Tier 5, and \$0.46 per contract in Select Symbols and \$0.83 per contract in Non-Select Symbols for Tier 6.<sup>6</sup> The Exchange now proposes to increase these rebates by \$0.01 per contract for members that achieve Tiers 3, 4, 5, and 6. As proposed, the Priority Customer complex order rebate in Select Symbols

will be increased to \$0.41 per contract for Tier 3, \$0.44 per contract for Tier 4, \$0.46 per contract for Tier 5, and \$0.47 per contract for Tier 6. For Non-Select Symbols the rebate will be increased to \$0.79 per contract for Tier 3, \$0.81 per contract for Tier 4, \$0.83 per contract for Tier 5, and \$0.84 per contract for Tier 6. Other rebate amounts will remain unchanged from their current levels.

In addition, the Exchange charges complex order taker fees and an equivalent maker fee that applies specifically when trading against Priority Customer orders. In Select Symbols these fees are \$0.46 per contract for Market Maker<sup>7</sup> orders (or \$0.43 per contract for Market Makers with total affiliated Priority Customer Complex ADV of 150,000 or more contracts),<sup>8</sup> and \$0.47 per contract for Non-ISE Market Maker,<sup>9</sup> Firm Proprietary<sup>10</sup>/Broker-Dealer,<sup>11</sup> and Professional Customer<sup>12</sup> orders. In Non-Select Symbols these fees are \$0.85 per contract for Market Maker orders,<sup>13</sup> and \$0.87 per contract for Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, and Professional Customer orders. The Exchange now proposes to increase these fees by \$0.01 per contract. As proposed, the taker fee and equivalent maker fee for trading against Priority Customer orders in Select Symbols will be increased to \$0.47 per contract for Market Maker orders (or \$0.44 per contract for Market Makers with total affiliated Priority Customer Complex ADV of 150,000 or more contracts), and \$0.48 per contract for Non-ISE Market

Maker, Firm Proprietary/Broker-Dealer, and Professional Customer orders. In Non-Select Symbols the fee will be increased to \$0.86 per contract for Market Maker orders, and \$0.88 per contract for Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, and Professional Customer orders. Preferred Market Makers will continue to receive the applicable discount of \$0.02 per contract when trading against Priority Customer order preferenced to them in the complex order book.<sup>14</sup>

Finally, the Exchange charges a fee for responses to complex crossing orders that is \$0.47 per contract for Market Maker, Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, Professional Customer, and Priority Customer orders in Select Symbols. In Non-Select Symbols this response fee is \$0.90 per contract for Market Maker orders, and \$0.95 per contract for Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, Professional Customer, and Priority Customer orders. The Exchange now proposes to increase its complex order response fees by \$0.01 per contract. As proposed, the response fee in Select Symbols will be increased to \$0.48 per contract for all market participants, and the response fee in Non-Select Symbols will be increased to \$0.91 per contract for Market Maker orders, and \$0.96 per contract for Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, Professional Customer, and Priority Customer orders.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>15</sup> in general, and Section 6(b)(4) of the Act,<sup>16</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

The Exchange believes that it is reasonable and equitable to increase the rebates provided to Priority Customer complex orders, as these proposed rebates are designed to attract additional Priority Customer complex order volume to the Exchange. The Exchange already provides volume-based tiered rebates for Priority Customer complex orders, and believes that increasing the rebates will incentivize members to send additional order flow to the ISE in order to achieve these rebates for their Priority Customer complex order volume, creating additional liquidity to

<sup>3</sup> A "Priority Customer" is a person or entity that is to a broker/dealer in securities, and does not place more than 390 orders in listed options per day on a average during a calendar month for its own beneficial account(s), as defined in Rule 100(a)(37A).

<sup>4</sup> "Select Symbols" are options overlying all symbols listed on the ISE that are in the Penny Pilot Program.

<sup>5</sup> "Non-Select Symbols" are options overlying all symbols excluding Select Symbols.

<sup>6</sup> These rebates are provided per contract per leg if the order trades with non-Priority Customer orders in the complex order book, or trades with quotes and orders on the regular order book.

<sup>7</sup> The term "Market Makers" refers to "Competitive Market Makers" and "Primary Market Makers" collectively. See Rule 100(a)(25).

<sup>8</sup> ISE Market Makers or making or taking liquidity receive a discount of \$0.02 when trading against Priority Customer orders preferenced to them in the complex order book in equity options that are able to be listed and traded on more than one options exchange. This discount does not apply to FX Options Symbols or to option classes designated by the Exchange to receive a guaranteed allocation pursuant to ISE Rule 722(b)(3)(i)(B).

<sup>9</sup> A "Non-ISE Market Maker" is a market maker as defined in Section 3(a)(38) of the Securities Exchange Act of 1934, as amended, registered in the same options class on another options exchange.

<sup>10</sup> A "Firm Proprietary" order is an order submitted by a member for its own proprietary account.

<sup>11</sup> A "Broker-Dealer" order is an order submitted by a member for a broker-dealer account that is not its own proprietary account.

<sup>12</sup> A "Professional Customer" is a person or entity that is not a broker/dealer and is not a Priority Customer.

<sup>13</sup> ISE Market Makers making or taking liquidity receive a discount of \$0.02 when trading against Priority Customer orders preferenced to them in the complex order book in equity options that are able to be listed and traded on more than one options exchange. This discount does not apply to FX Options Symbols or to option classes designated by the Exchange to receive a guaranteed allocation pursuant to ISE Rule 722(b)(3)(i)(B).

<sup>14</sup> See notes 6 [sic] and 11 [sic] supra.

<sup>15</sup> 15 U.S.C. 78f.

<sup>16</sup> 15 U.S.C. 78f(b)(4).

the benefit of all members that trade complex orders on the Exchange. The Exchange also believes that the corresponding increase to the complex order taker fee and complex order maker fee for trading against Priority Customer orders, as well as the fee for responses to complex crossing orders, is reasonable and equitable as the proposed fees are set at levels that the Exchange believes will continue to be attractive to market participants that trade on ISE, and that are competitive with fees charged by other options exchanges.

The Exchange notes that Priority Customer orders will continue to receive complex order rebates,<sup>17</sup> while other market participants will continue to pay a fee. The Exchange does not believe that this is unfairly discriminatory as a Priority Customer is by definition not a broker or dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). This limitation does not apply to participants whose behavior is substantially similar to that of market professionals, including Professional Customers, who will generally submit a higher number of orders (many of which do not result in executions) than Priority Customers. The Exchange also notes that Market Maker orders will continue to be eligible for lower fees than other non-Priority Customer orders. The Exchange does not believe that it is unfairly discriminatory provide lower fees to Market Maker orders as Market Makers are subject to additional requirements and obligations (such as quoting requirements) that other market participants are not.

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

In accordance with Section 6(b)(8) of the Act,<sup>18</sup> the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed complex order fees and rebates remain competitive with fees and rebates offered on other options exchanges. The Exchange operates in a highly competitive market in which market participants can readily direct their order flow to competing venues. In such an environment, the Exchange must

continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed fee changes reflect this competitive environment.

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

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>19</sup> and subparagraph (f)(2) of Rule 19b-4 thereunder,<sup>20</sup> because it establishes a due, fee, or other charge imposed by ISE.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### **IV. Solicitation of Comments**

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

##### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-ISE-2015-27 on the subject line.

##### *Paper Comments*

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

All submissions should refer to File Number SR-ISE-2015-27. 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 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 Web site 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 such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-ISE-2015-27, and should be submitted on or before October 9, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>21</sup>

**Brent J. Fields,**  
*Secretary.*

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**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-75919]**

### **Order Pursuant to Sections 15F(b)(6) and 36 of the Securities Exchange Act of 1934 Extending Certain Temporary Exemptions and a Temporary and Limited Exception Related to Security-Based Swaps**

September 15, 2015.

#### **I. Introduction**

On June 15, 2011, the Securities and Exchange Commission ("Commission") issued an order granting temporary exemptions and exceptions from compliance with certain provisions of

<sup>17</sup> With the exception of responses to complex crossing orders where Priority Customers are charged a fee like other market participants.

<sup>18</sup> 15 U.S.C. 78f(b)(8).

<sup>19</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>20</sup> 17 CFR 240.19b-4(f)(2).

<sup>21</sup> 17 CFR 200.30-3(a)(12).