

contracts and transactions, the safeguarding of securities and funds in the custody or control of ICE Clear Europe or for which it is responsible and the protection of investors and the public interest, within the meaning of Section 17A(b)(3)(F) of the Act.<sup>5</sup> The amendments are intended to simplify and increase the efficiency of ICE Clear Europe's price discovery process. In particular, the changes will decrease external operational risk, as ICE Clear Europe will no longer rely on the services of an intermediary agent to perform key aspects of its price discovery process. In ICE Clear Europe's view, the amendments will generally enhance the end-of-day settlement process, and thus promote the prompt and accurate clearance and settlement of cleared contracts, within the meaning of Section 17A(b)(3)(F) of the Act.<sup>6</sup> The amendments are also consistent with the requirements regarding the management of operational risk in Rule 17Ad-22(d)(4)<sup>7</sup> and (as and when compliance therewith is required) Rule 17Ad-22(e)(17).<sup>8</sup>

#### *B. Clearing Agency's Statement on Burden on Competition*

ICE Clear Europe does not believe the proposed changes to the rules would have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purpose of the Act. ICE Clear Europe is adopting the amendments to the EOD Price Discovery Policy in order to enhance certain aspects of the price discovery process. The amendments will apply uniformly across all Clearing Members, and will not change the nature of information to be submitted by Clearing Members. ICE Clear Europe does not believe the amendments would materially affect the cost of clearing, adversely affect access to clearing in CDS Contracts for Clearing Members or their customers, or otherwise adversely affect competition in clearing services. As a result, ICE Clear Europe does not believe that the amendments would impose any impact or burden on competition that is not appropriate in furtherance of the purpose of the Act.

#### *C. Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

Written comments relating to the proposed changes to the rules have not been solicited or received. ICE Clear

Europe will notify the Commission of any written comments received by ICE Clear Europe.

### **III. Date of Effectiveness of the Proposed Rule Change, Security-Based Swap Submission and Advance Notice and Timing for Commission Action**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove the proposed rule change or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed.

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

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, security-based swap submission or advance notice 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-ICEEU-2017-003 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-ICEEU-2017-003. 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, security-based swap submission or advance notice that are filed with the Commission, and all written communications relating to the proposed rule change, security-based swap submission or advance notice

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 filings will also be available for inspection and copying at the principal office of ICE Clear Europe and on ICE Clear Europe's Web site at <https://www.theice.com/clear-europe/regulation#rule-filings>.

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-ICEEU-2017-003 and should be submitted on or before April 13, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

[FR Doc. 2017-05740 Filed 3-22-17; 8:45 am]

BILLING CODE 8011-01-P

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-80270; File No. SR-CBOE-2016-082]

### **Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change Related to Rules Regarding the Responsibility for Ensuring Compliance With Priority and Allocation Requirements and Trade-Through Prohibitions in Open Outcry Trading**

March 17, 2017.

#### **I. Introduction**

On December 1, 2016, the Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend Exchange rules regarding responsibility

<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>7</sup> 17 CFR 240.17Ad-22(d)(4).

<sup>8</sup> 17 CFR 240.17Ad-22(e)(17).

<sup>9</sup> 17 CFR 200.30-3(a)(12).

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

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

for ensuring compliance with open outcry priority and allocation requirements and trade-through prohibitions. The proposed rule change was published for comment in the **Federal Register** on December 19, 2016.<sup>3</sup> The Commission received two comments on the proposed rule change, plus a response letter from CBOE.<sup>4</sup> On January 31, 2017, pursuant to Section 19(b)(2) of the Exchange Act,<sup>5</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>6</sup>

The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to institute proceedings under Section 19(b)(2)(B) of the Exchange Act<sup>7</sup> to determine whether to approve or disapprove the proposed rule change, as discussed in Section III below. The institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved, nor does it mean that the Commission will ultimately disapprove the proposed rule change. Rather, as described in Section III below, the Commission seeks and encourages interested persons to provide additional comment on the proposed rule change in order to inform the Commission's analysis of whether to approve or disapprove the proposed rule change.

<sup>3</sup> See Securities Exchange Act Release No. 79540 (December 13, 2016), 81 FR 91967 ("Notice").

<sup>4</sup> See Letter to Brent J. Fields, Secretary, Commission, from Joan C. Conley, Senior Vice President and Corporate Secretary, Nasdaq, dated December 22, 2016 ("Nasdaq Letter") and Letter to Brent J. Fields, Secretary, Commission from Steve Crutchfield, Head of Market Structure, CTC Trading Group, LLC; Kevin Coleman, Chief Compliance Officer, Belvedere Trading LLC; Scott Kloin, Chief Compliance Officer, Citadel Securities LLC; Steven Gaston, Chief Compliance Officer, Consolidated Trading LLC; Rob Armour, Chief Compliance Officer, DRW Securities, LLC; John Kinahan, Chief Executive Officer, Group One Trading L.P.; Daniel Overmyer, Chief Compliance Officer, IMC Financial Markets; Steven Gaston, Chief Compliance Officer, Lamberson Capital LLC; and Patrick Hickey, Head of Market Structure, Optiver US LLC, dated February 16, 2017 ("Market Makers Letter"). See also Letter to Brent J. Fields, Secretary, Commission, from Kyle Edwards, Counsel, CBOE, dated March 14, 2017 ("CBOE Response Letter"). The comment letters and CBOE's response are available at <https://www.sec.gov/comments/sr-cboe-2016-082/cboe2016082.shtml>.

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> See Securities Exchange Act Release No. 79910, 82 FR 9464 (February 6, 2017). The Commission designated March 19, 2017, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

<sup>7</sup> 15 U.S.C. 78s(b)(2)(B).

## II. Summary of Proposal

### A. Description of Proposal

According to the Exchange, currently, if a transaction executed on the trading floor is executed at a price that violates the priority and allocation provisions of 6.45A(b) and 6.45B(b) ("Book Priority") or the trade-through prohibitions set forth in CBOE Rule 6.81 ("Trade-Through"), the Exchange enforces the violations against both parties to the transaction.<sup>8</sup> Under the proposed rule change, with respect to an open outcry transaction between a Floor Broker and a Market-Maker, only the party that initiated the transaction on the trading floor would be held responsible for Book Priority and Trade-Through violations.<sup>9</sup> With respect to an open outcry transaction between a Floor Broker and another Floor Broker, or a Market-Maker and another Market-Maker, the Exchange would hold both parties responsible for Book Priority and Trade-Through violations, consistent with the Exchange's current practice.<sup>10</sup>

The Exchange observes that generally, Floor Brokers initiate transactions on the Exchange's trading floor by representing orders and executing the orders against bids and offers of other in-crowd market participants, including Market-Makers.<sup>11</sup> The Exchange asserts that when Floor Brokers trade with Market-Makers, the Floor Brokers are in a better position to prevent Trade-Through and Book Priority violations because, unlike Market-Makers, Floor Brokers have access to the Public Automatic Routing System ("PAR") offered by CBOE that provides Floor Brokers with the necessary market data to avoid Trade-Through and Book Priority violations, as well as provides alerts that warn Floor Brokers in advance that a proposed execution price for a given order may violate Book Priority rules or result in a potential Trade-Through.<sup>12</sup> The Exchange states that generally, a Floor Broker will verbally communicate a request for quote for a given order to the trading crowd, and the Market-Makers will then provide a responsive quote without the aid of PAR.<sup>13</sup> The Exchange states that Market-Makers evaluate a Floor Broker's request for a quote against the Market-Maker's theoretical values for the given options series, a process which the

Exchange observes becomes increasingly complicated when there are multiple options series that must be evaluated for a complex order.<sup>14</sup> The Exchange asserts that it is therefore reasonable for a Market-Maker to rely on the Floor Broker initiating a trade to ensure that an open outcry transaction is executed in accordance with the Book Priority and Trade-Through provisions.<sup>15</sup>

The Exchange represents that this rule change, consistent with the Options Intermarket Linkage Plan,<sup>16</sup> is reasonably designed to prevent Trade-Throughs, as well as Book Priority violations, because it would place the responsibility for ensuring transactions are executed in accordance with the Exchange's rules on the "specific party or parties in a good position to ensure compliance."<sup>17</sup> The Exchange also believes that the proposed rule change "may help limit the number of [Book Priority] and Trade-Through violations because the proposal identifies a particular party or parties to each transaction (as opposed to all parties) as responsible for ensuring compliance with the rules."<sup>18</sup>

### B. Summary of Comments

As previously noted, the Commission received two comment letters on the proposed rule change, and a response from CBOE.<sup>19</sup> One commenter states that it neither supports nor opposes the Exchange's proposal,<sup>20</sup> and the other commenter expresses support for the proposed rule change.<sup>21</sup>

One commenter suggests that the Exchange explain how PAR operates, and how the Exchange validates trades and conducts surveillances for purposes of regulating Book Priority and Trade-Through violations.<sup>22</sup> In addition, the commenter suggests that the Commission articulate a principle of governing enforcement of book priority and trade-through requirements to floor trading in standardized options.<sup>23</sup> Though beyond the scope of CBOE's

<sup>14</sup> See *id.*

<sup>15</sup> See *id.* In the event a Market-Maker initiates a transaction with a Floor Broker, the Market-Maker would be responsible for ensuring that the transaction is executed in accordance with the Book Priority and Trade-Through provisions. See *id.*

<sup>16</sup> See generally Securities Exchange Act Release No. 43086 (July 28, 2000), 65 FR 48023 (August 4, 2000) (Order approving Options Intermarket Linkage Plan).

<sup>17</sup> See Notice, *supra* note 3, at 91969.

<sup>18</sup> See *id.*

<sup>19</sup> See *supra* note 4.

<sup>20</sup> See Nasdaq Letter, *supra* note 4.

<sup>21</sup> See Nasdaq Letter, *supra* note 4. See Market Makers Letter, *supra* note 4.

<sup>22</sup> See Nasdaq Letter, *supra* note 4, at 3.

<sup>23</sup> See *id.* at 4.

proposal, the commenter believes that disparities between how markets enforce these requirements could impact intramarket and intermarket competition.<sup>24</sup>

Other commenters (in a joint letter submitted by nine CBOE market participants) support the proposal and assert that the proposed rule change seeks to assign responsibility for ensuring compliance with open outcry priority and allocation requirements and trade-through prohibitions in a “fair, reasonable, and logical manner,” particularly in the case of an open-outcry trade initiated by a Floor Broker and responded to by a Market-Maker, because Market-Makers “generally lack access to” the tools and alerts CBOE offers to Floor Brokers that help assure compliance with those rules.<sup>25</sup> The commenters observe that pursuant to the Exchange’s rules, it is a Floor Broker’s responsibility to use due diligence to execute an order at the best price available, and to ascertain whether a better price than the one displayed is being quoted by another party, and that therefore, a Market-Maker should be able to assume that the Floor Broker has cleared the customer limit order book of any order at a better price in accordance with applicable rules.<sup>26</sup> The commenters assert that “the Floor Broker—as the party controlling the precise timing of any execution he or she initiates—is definitively in the best position to ascertain whether a Trade-Through or other rule violation would occur up to the instant of trade consummation, and should therefore appropriately hold sole responsibility for compliance with the applicable rules.”<sup>27</sup> The commenters believe that by clearly allocating this responsibility, the proposal would remove impediments to and better align with the mechanism of a free and open market.<sup>28</sup>

In its response letter, the Exchange asserts that the Nasdaq Letter does not address the substance of the proposal but rather offers general comment regarding open outcry trading.<sup>29</sup> In addition, in response to the Nasdaq Letter, the Exchange notes that its proposal does not describe how PAR operates or its surveillance parameters

because this information is described in its rules.<sup>30</sup>

### III. Proceedings To Determine Whether To Approve or Disapprove SR-CBOE-2016-082 and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act<sup>31</sup> to determine whether the proposed rule change should be approved or disapproved. Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as stated below, the Commission seeks and encourages interested persons to provide comments on the proposed rule change to inform the Commission’s analysis of whether to approve or disapprove the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Exchange Act,<sup>32</sup> the Commission is providing notice of the grounds for disapproval under consideration, as discussed below. The Commission believes that instituting proceedings will allow for additional analysis of, and input from commenters with respect to, the proposed rule change’s consistency with Section 6(b)(1) of the Exchange Act, which requires that a national securities exchange is so organized and has the capacity to be able to carry out the purposes of the Exchange Act and to comply, and to enforce compliance by its members and persons associated with its members, with the provisions of the Exchange Act, the rules and regulations thereunder, and the rules of the exchange.<sup>33</sup>

The Commission also is instituting proceedings to allow for additional analysis and input concerning the proposed rule change’s consistency with Section 6(b)(5) of the Exchange Act,<sup>34</sup> which requires that the rules of a national securities exchange be designed, among other things, to promote just and equitable principles of trade and, in general, to protect investors and the public interest and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Specifically, the Commission is concerned whether the proposed rule change could adversely impact the

ability of the Exchange, consistent with Section 6(b)(1) of the Exchange Act, to comply, and to enforce compliance by its members on the CBOE trading floor, with applicable rules and regulations, including the Book Priority and Trade-Through provisions. In particular, the Commission wishes to consider further whether CBOE has sufficiently demonstrated how absolving from liability for Book Priority and Trade-Through rule violations one party to a trade (*i.e.*, the responder, for trades involving a Floor Broker on one side and a Market Maker on the other) while placing sole liability on the other party (*i.e.*, the initiator, for trades involving a Floor Broker on one side and a Market Maker on the other) will foster compliance with those rules by its members and not diminish the Exchange’s ability to ensure compliance with these critically important rules.

Further, the Exchange’s stated justification for its proposal, which relies on the control an initiator has over the execution and price of the order as well as the fact that CBOE supplies its Floor Brokers with a system (PAR) that helps automate the necessary pre-trade checks, appears inconsistent with continuing to hold *both* parties to a trade liable when the trade is between two Market Makers or two Floor Brokers. Similarly, the proposal raises questions under Section 6(b)(5) of the Exchange Act, in that not enforcing Trade-Through and Book Priority violations against a party based on the identity of its counter-party (*i.e.*, not enforcing against the responder when a Market-Maker trades with a Floor Broker, but enforcing against both parties when a Market-Maker trades with a Market-Maker or a Floor Broker trades with a Floor Broker) may be unfairly discriminatory.

### IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposal is consistent with Sections 6(b)(1), 6(b)(5), or any other provision of the Exchange Act, or the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any request for an

<sup>24</sup> See *id.* at 3.

<sup>25</sup> See Market Makers Letter, *supra* note 4, at 1–2. In addition, the commenter asserted that the issues raised by the Nasdaq letter “have no bearing on” the Exchange’s proposal. See *id.*

<sup>26</sup> See *id.* at 2.

<sup>27</sup> See *id.*

<sup>28</sup> See *id.*

<sup>29</sup> See CBOE Response Letter, *supra* note 4, at 1.

<sup>30</sup> See *id.* at 3.

<sup>31</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>32</sup> *Id.*

<sup>33</sup> 15 U.S.C. 78f(b)(1).

<sup>34</sup> 15 U.S.C. 78f(b)(5).

opportunity to make an oral presentation.<sup>35</sup>

Interested persons are invited to submit written data, views, and arguments regarding whether the proposal should be approved or disapproved by April 13, 2017. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by April 27, 2017. The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, in addition to any other comments they may wish to submit about the proposed rule change.

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-CBOE-2016-082 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 Numbers SR-CBOE-2016-082. 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 these

filings 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-CBOE-2016-082 and should be submitted on or before April 13, 2017. Rebuttal comments should be submitted by April 27, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>36</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

[FR Doc. 2017-05741 Filed 3-22-17; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-80267; File No. SR-ISE-2017-24]

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

March 17, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 10, 2017, the International Securities Exchange, LLC ("ISE" or "Exchange") filed with the Securities and Exchange Commission ("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 Schedule of Fees to allow members to opt in to MORP for specific sessions rather than on a member-wide basis, and to increase MORP rebates for members that participate in the program.

The text of the proposed rule change is available on the Exchange's Web site

at [www.ise.com](http://www.ise.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

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

On April 1, 2015, the Exchange launched the Member Order Routing Program ("MORP"),<sup>3</sup> which is a program that provides enhanced rebates to order routing firms that select the Exchange as the default routing destination for unsolicited Crossing Orders.<sup>4</sup> The purpose of the proposed rule change is to amend the Schedule of Fees to allow members to opt in to MORP for specific sessions rather than on a member-wide basis, and to increase MORP rebates for members that participate in the program. The Exchange believes that these changes will encourage members to participate in MORP.

##### **MORP Qualifications**

Currently, to be eligible to participate in MORP, an Electronic Access Member ("EAM") must: (1) Provide to its clients, systems that enable the electronic routing of option orders to all of the U.S. options exchanges, including ISE; (2) interface with ISE to access the Exchange's electronic options trading platform; (3) offer to its clients a customized interface and routing functionality such that ISE will be the default destination for all unsolicited

<sup>35</sup> Section 19(b)(2) of the Exchange Act, as amended by the Securities Act Amendments of 1975, Public Law 94-29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Act Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

<sup>36</sup> 17 CFR 200.30-3(a)(57).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 74706 (April 10, 2016), 80 FR 20522 (April 16, 2016) (SR-ISE-2015-11).

<sup>4</sup> A "Crossing Order" is an order executed in the Exchange's Facilitation Mechanism, Solicited Order Mechanism, Price Improvement Mechanism ("PIM") or submitted as a Qualified Contingent Cross ("QCC") order. For purposes of the fee schedule, orders executed in the Block Order Mechanism are also considered Crossing Orders.