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August 25, 2017

Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: Partial Amendment No. 2 (SR-ISE-2017-46)

Dear Mr. Fields:

Nasdaq ISE, LLC filed the above-referenced filing on August 25, 2017.

Sincerely,

/s Andrew Madar

Andrew Madar  
Senior Associate General Counsel

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 9 SECURITIES AND EXCHANGE COMMISSION File No.\* SR - 2017 - \* 46  
 WASHINGTON, D.C. 20549 Form 19b-4 Amendment No. (req. for Amendments \*) 2

Filing by Nasdaq ISE, LLC  
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	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 type="checkbox"/> 19b-4(f)(6)		

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document

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 Rule 1404.

**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 \* Andrew Last Name \* Madar  
 Title \* Sr Associate General Counsel  
 E-mail \* [REDACTED]  
 Telephone \* [REDACTED] Fax [REDACTED]

**Signature**

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

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

(Title \*)

Date 08/25/2017 Executive Vice President and General Counsel  
 By Edward S. Knight [REDACTED]

(Name \*)

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



SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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

**Exhibit 1 - Notice of Proposed Rule Change \***

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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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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

**Exhibit 5 - Proposed Rule Text**

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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.

**Partial Amendment No. 2 to SR-ISE-2017-46**

On May 15, 2017, NASDAQ ISE, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change (“Proposal”) to amend Rule 1404, as that rule provides for the collection of information that is duplicative of the data collection requirements of the Consolidated Audit Trail (“CAT”) adopted pursuant to the National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan” or “Plan”).<sup>1</sup> The SEC published the Proposal in the Federal Register for notice and comment on June 1, 2017.<sup>2</sup> The comment period expired on June 22, 2017.<sup>3</sup>

The Exchange is filing this Partial Amendment No. 2 to add supplementary material to Rule 1404 (Automated Submission of Trade Data).<sup>4</sup> With this Partial Amendment, the Exchange is including Exhibit 4, which reflects changes to the text of

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<sup>1</sup> See Securities Exchange Act Release No. 79318 (Nov. 15, 2016), 81 FR 84696 (Nov. 23, 2016) (“Approval Order”).

<sup>2</sup> See Securities Exchange Act Release No. 80787 (May 26, 2017), 82 FR 25469 (June 1, 2017) (SR-ISE-2017-46).

<sup>3</sup> Id. While no comments specifically identified the Exchange’s proposal, ISE notes that Financial Regulatory Industry Authority, Inc., which filed a related proposal, received four comment letters on its proposal. See letters to Robert W. Errett, Deputy Secretary, SEC, from Marc R. Bryant, Senior Vice President and Deputy General Counsel, Fidelity Investments, dated June 22, 2017 (“Fidelity”); William H. Hebert, Managing Director, Financial Information Forum, dated June 22, 2017 (“FIF”); Letters to Brent J. Fields, Secretary, SEC, from Manisha Kimmel, Chief Regulatory Officer, Wealth Management, Thomson Reuters, dated June 22, 2017 (“Thomson Reuters”); Ellen Greene, Managing Director & Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated June 23, 2017 (“SIFMA”).

<sup>4</sup> ISE notes that it had previously submitted Partial Amendment No. 1 to this filing to update Section 2, “Procedures of the Self-Regulatory Organization,” to reflect that it had obtained the necessary approval from its Board of Directors for this Proposal.

the proposed rule change pursuant to this Partial Amendment No. 2, and Exhibit 5, which reflects the changes to the current rule text that are proposed in the Proposal, as amended by this Partial Amendment No. 2.

This Partial Amendment amends the Supplementary Material to Rule 1404 to clarify how the Exchange will request data under Rule 1404 after members are reporting to the CAT. As noted in the Proposal, the Exchange believes that the CAT must meet certain minimum accuracy and reliability standards before the Exchange could rely on the CAT to replace existing regulatory tools, including EBS. Consequently, the proposed Supplementary Material would be implemented only after the CAT achieves the thresholds set forth in the Proposal. The Proposal adds Supplementary Material to Rule 1404 to accommodate the fact that requests will still be necessary for transactions occurring before reporting to the CAT is sufficiently accurate and reliable and for transactions involving securities that are not reportable to the CAT.

In this Partial Amendment No. 2, the Exchange is proposing to revise the Supplementary Material to clarify that the Exchange will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after the Exchange announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to Rule 1404. In the Proposal, the proposed Supplementary Material stated that the Exchange will request trade data or information pursuant to this Rule only if the trade data or information is not available in the CAT because, for example, the transaction(s) in question occurred before the member was reporting information to the CAT or involved securities that are not reportable to the CAT. The Exchange is proposing changes to this

language to make clear that, after the CAT achieves the accuracy and reliability standards set forth in the Proposal, the Exchange will only use CAT to obtain trading information and will make requests under the EBS Rules only for transactions that occurred before the CAT achieved sufficient levels of accuracy and reliability or transactions that involve securities that are not reportable to the CAT (e.g., fixed income securities, OTC options).

**EXHIBIT 4**

Exhibit 4 shows the changes proposed in this Partial Amendment No. 2, with the proposed changes in the original filing shown as if adopted. Proposed additions in this Partial Amendment No. 2 appear underlined; proposed deletions appear in brackets.

**Nasdaq ISE Rulebook**

\* \* \* \* \*

**Chapter 14. Records, Reports and Audits**

\* \* \* \* \*

**Rule 1404. Automated Submission of Trade Data**

A Member shall submit requested trade data elements, in such automated format as may be prescribed by the Exchange from time to time, in regard to a transaction(s) that is the subject of the particular request for information.

(a) If the transaction was a proprietary transaction effected or caused to be effected by the Member for any account in which such Member, or any approved person, partner, officer, director, or employee thereof, is directly or indirectly interested, the Member shall submit or cause to be submitted, any or all of the following information as requested by the Exchange:

- (1) Clearing house number or alpha symbol as used by the Member submitting the data;
- (2) Clearing house number(s) or alpha symbol(s) as may be used from time to time, of the Member(s) on the opposite side of the transaction;
- (3) Identifying symbol assigned to the security and where applicable for the options month and series symbols;
- (4) Date transaction was executed;
- (5) Number of option contracts for each specific transaction and whether each transaction was an opening or closing purchase or sale, as well as:
  - (i) the number of shares traded or held by accounts for which options data is submitted;
  - (ii) where applicable, the number of shares for each specific transaction and whether each transaction was a purchase, sale or short sale;
- (6) Transaction price;

(7) Account number; and

(8) Market center where transaction was executed.

(b) If the transaction was effected or caused to be effected by the Member for any customer account, such Member shall submit or cause to be submitted any or all the following information as requested by the Exchange:

(1) Data elements (1) through (8) of paragraph (a) above;

(2) Customer name, address(es), branch office number, Representative number, whether the order was discretionary, solicited or unsolicited, date the account was opened and employer name and tax identification number(s); and

(3) If the transaction was effected for a Member broker-dealer customer, whether the broker-dealer was acting as a principal or agent on the transaction or transactions that are the subject of the Exchange's request.

(c) In addition to the above trade data elements, a Member shall submit such other information in such automated format as may be prescribed by the Exchange, as may from time to time be required.

(d) The Exchange may grant exceptions, in such cases and for such time periods as it deems appropriate, from the requirement that the data elements prescribed in paragraphs (a) and (b) above be submitted to the Exchange in an automated format.

*Supplementary Material to Rule 1404*

The Exchange will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after the Exchange announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to this Rule. [The Exchange will request information under this Rule only if the information is not available in the CAT because, for example, the transactions in question occurred before the firm was reporting information to the CAT or involved securities that are not reportable to the CAT.]

\* \* \* \* \*



**EXHIBIT 5**

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

**Nasdaq ISE Rulebook**

\* \* \* \* \*

**Chapter 14. Records, Reports and Audits**

\* \* \* \* \*

**Rule 1404. Automated Submission of Trade Data**

A Member shall submit requested trade data elements, in such automated format as may be prescribed by the Exchange from time to time, in regard to a transaction(s) that is the subject of the particular request for information.

(a) If the transaction was a proprietary transaction effected or caused to be effected by the Member for any account in which such Member, or any approved person, partner, officer, director, or employee thereof, is directly or indirectly interested, the Member shall submit or cause to be submitted, any or all of the following information as requested by the Exchange:

- (1) Clearing house number or alpha symbol as used by the Member submitting the data;
- (2) Clearing house number(s) or alpha symbol(s) as may be used from time to time, of the Member(s) on the opposite side of the transaction;
- (3) Identifying symbol assigned to the security and where applicable for the options month and series symbols;
- (4) Date transaction was executed;
- (5) Number of option contracts for each specific transaction and whether each transaction was an opening or closing purchase or sale, as well as:
  - (i) the number of shares traded or held by accounts for which options data is submitted;
  - (ii) where applicable, the number of shares for each specific transaction and whether each transaction was a purchase, sale or short sale;
- (6) Transaction price;
- (7) Account number; and

**(8)** Market center where transaction was executed.

**(b)** If the transaction was effected or caused to be effected by the Member for any customer account, such Member shall submit or cause to be submitted any or all the following information as requested by the Exchange:

**(1)** Data elements (1) through (8) of paragraph (a) above;

**(2)** Customer name, address(es), branch office number, Representative number, whether the order was discretionary, solicited or unsolicited, date the account was opened and employer name and tax identification number(s); and

**(3)** If the transaction was effected for a Member broker-dealer customer, whether the broker-dealer was acting as a principal or agent on the transaction or transactions that are the subject of the Exchange's request.

**(c)** In addition to the above trade data elements, a Member shall submit such other information in such automated format as may be prescribed by the Exchange, as may from time to time be required.

**(d)** The Exchange may grant exceptions, in such cases and for such time periods as it deems appropriate, from the requirement that the data elements prescribed in paragraphs (a) and (b) above be submitted to the Exchange in an automated format.

*Supplementary Material to Rule 1404*

The Exchange will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after the Exchange announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to this Rule.

\* \* \* \* \*