

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-95238; File No. SR-ISE-2022-14)

July 11, 2022

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Options 4A, Section 12 and Options 7, Section 3

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 July 1, 2022, Nasdaq ISE, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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 certain rule text within Options 4A, Section 12, Terms of Index Options Contracts, and Options 7, Section 3, Regular Order Fees and Rebates.

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/ise/rules>, 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend certain rule text within Options 4A, Section 12, Terms of Index Options Contracts, related to the Short Term Option Series Program, and update the Pricing Schedule to replace references to the symbol “FB” with “META” within Options 7, Section 3, Regular Order Fees and Rebates. Each change is described below.

Options 4A, Section 12

In 2013, ISE amended the Short Term Option Series Program for equity options within Rule 504 (currently Options 4, Section 5) to change the number of currently listed option classes on which Short Term Option Series may be opened on any Short Term Option Opening Date from thirty to fifty options classes.³ At that time, the Exchange neglected to update the index options rules to make similar changes to the Short Term Option Series Program given that the amount of options classes that may participate in the Short Term Option Series Program is aggregated between equity options and index options and is not apportioned between equity and index options.

Today, Supplementary Material .01(a) to Options 4A, Section 12 provides,

Classes. The Exchange may select up to thirty (30) currently listed option classes on which Short Term Option Series may be opened on any Short Term Option Opening Date. In addition to the 30 option class restriction, the Exchange may also list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar program under their respective rules. For each index option class

³ See Securities Exchange Act Release Nos. 71034 (December 11, 2013), 78 FR 76363 (December 17, 2013) (SR-ISE-2013-69) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to the Short Term Option Series Program).

eligible for participation in the Short Term Option Series Program, the Exchange may open up to 30 Short Term Option Series on index options for each expiration date in that class. The Exchange may also open Short Term Option Series that are opened by other securities exchanges in option classes selected by such exchanges under their respective short term option rules.

At this time, the Exchange proposes to amend Supplementary Material .01(a) to Options 4A, Section 12 to increase the number of currently listed options classes on which Short Term Option Series may be opened on any Short Term Option Opening Date from thirty to fifty options classes for index options. The Exchange also proposes to add the word “thirty” before the number “30” and place the number 30 in parentheses. These amendments would align the limitations within Supplementary Material .01(a) to Options 4A, Section 12 regarding index options with those currently within Supplementary .03(a) to Options 4, Section 5 regarding equity options.

As noted above, this amendment will not result in a greater number of listings in the Short Term Option Series Program because the amount of options classes that may participate in the Short Term Option Series Program is aggregated between equity options and index options and is not apportioned between equity and index options. Amending Supplementary Material .01(a) to Options 4A, Section 12 to conform to the limitations provided within Supplementary .03(a) to Options 4, Section 5 will avoid confusion by making clear the aggregate limitations within equity and index options for listing Short Term Option Series. Today, Nasdaq Phlx LLC (“Phlx”) and Cboe Exchange, Inc. (“Cboe”) have similar limitations within their equity and index Short Term Option Series Program.⁴

⁴ See Phlx Options 4A, Section 12(b)(4) and Cboe Exchange, Inc. Rules 4.5 and 4.13. See also Securities Exchange Act Release No. 95077 (June 9, 2022), 87 FR 36188 (June 15, 2022) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 4A, Section 12, Terms of Index Options Contracts).

Options 7, Section 3

On June 9, 2022 Meta Platforms, Inc. began trading under its new stock symbol, “META”, replacing its previous ticker symbol, “FB”. At this time, the Exchange proposes to replace references to the symbol “FB” with “META” within Options 7, Section 3, Regular Order Fees and Rebates.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁵ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁶ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

Options 4A, Section 12

In 2013, ISE amended the Short Term Option Series Program for equity options within Rule 504 (currently Options 4, Section 5) to change the number of currently listed option classes on which Short Term Option Series may be opened on any Short Term Option Opening Date from thirty to fifty options classes.⁷ At that time, the Exchange neglected to update the index options rules to make similar changes to the Short Term Option Series Program given that the amount of options classes that may participate in the Short Term Option Series Program is aggregated between equity options and index options and is not apportioned between equity and

⁵ 15 U.S.C. 78f(b)

⁶ 15 U.S.C. 78f(b)(5).

⁷ See Securities Exchange Act Release Nos. 71034 (December 11, 2013), 78 FR 76363 (December 17, 2013) (SR-ISE-2013-69) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to the Short Term Option Series Program).

index options. Amending Supplementary Material .01(a) to Options 4A, Section 12 to conform to the limitations provided within Supplementary .03(a) to Options 4, Section 5 will avoid confusion by making clear the aggregate limitations within equity and index options for listing Short Term Option Series. Also, aligning the limitations within Supplementary Material .01(a) to Options 4A, Section 12 with those currently within Supplementary .03(a) to Options 4, Section 5 will not result in a greater number of listings in the Short Term Option Series Program because the amount of options classes that may participate in the Short Term Option Series Program is aggregated between equity options and index options and is not apportioned between equity and index options. Today, Phlx and Cboe have similar limitations within their equity and index Short Term Option Series Program.⁸

Options 7, Section 3

The Exchange's proposal to update references to the symbol "FB" to "META" within the Pricing Schedule at Options 7, Section 3, Regular Order Fees and Rebates, is consistent with the Act. This amendment will make clear that the symbol "META" continues to be subject to the pricing noted with respect to the symbol "FB" within Options 7, Section 3.

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

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Options 4A, Section 12

Amending Supplementary Material .01(a) to Options 4A, Section 12 to conform to the limitations provided within Supplementary .03(a) to Options 4, Section 5 does not impose an undue burden on competition because the same limitations apply today to other options

⁸ See note 4 above.

exchanges. Today, Phlx and Cboe have similar limitations within their equity and index Short Term Option Series Program.⁹

Options 7, Section 3

The Exchange's proposal to update references to the symbol "FB" to "META" within the Pricing Schedule at Options 7, Section 3, Regular Order Fees and Rebates, does not impose an undue burden on competition as the proposal does not amend the current pricing.

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 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) of the Act¹⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹¹

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act¹² normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)¹³ permits the Commission to designate a shorter time if such action is consistent with the

⁹ See note 4 above.

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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.

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 240.19b-4(f)(6)(iii).

protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that it may immediately amend its Pricing Schedule to update references to the symbol “FB” to “META” within Options 7, Section 3, Regular Order Fees and Rebates, to avoid confusion as to the pricing of the symbol “META.” The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest as the proposed rule change does not raise any new or novel issues. Accordingly, the Commission hereby waives the operative delay and designates the proposed rule change operative upon filing.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 change 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

¹⁴ For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-ISE-2022-14 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-2022-14. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying

information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-ISE-2022-14, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

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

J. Matthew DeLesDernier
Assistant Secretary

¹⁵ 17 CFR 200.30-3(a)(12), (59).