

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-67865; File No. SR-ISE-2012-22)

September 14, 2012

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Designation of Longer Period for Commission Action on Proceedings to Determine Whether to Disapprove Proposed Rule Change, as Modified by Amendment No. 1, to Add an Index Option Product for Trading on the Exchange

On March 9, 2012, the International Securities Exchange, LLC (“Exchange” or “ISE”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade options on the ISE Max SPY Index. The proposed rule change was published for comment in the Federal Register on March 22, 2012.³ The Commission initially received three comment letters on the proposed rule change.⁴ On May 1, 2012, the Commission extended the time period for Commission action to June 20, 2012.⁵ On May 4, 2012, the Exchange submitted a response to the comment letters⁶ and filed Amendment No. 1 to the proposed rule change. The Commission subsequently received three additional

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 66614 (March 16, 2012), 77 FR 16883.

⁴ See letters to Elizabeth M. Murphy, Secretary, Commission, from Janet McGinness, EVP & Corporate Secretary, NYSE Euronext, dated April 2, 2012; Kenneth M. Vittor, Executive Vice President and General Counsel, McGraw-Hill Companies, Inc., dated April 11, 2012; and Edward T. Tilly, President and Chief Operating Officer, Chicago Board Options Exchange, Incorporated (“CBOE”), dated April 13, 2012.

⁵ See Securities Exchange Act Release No. 66889 (May 1, 2012), 77 FR 26812 (May 7, 2012).

⁶ See letter to Elizabeth M. Murphy, Secretary, Commission, from Michael J. Simon, Secretary and General Counsel, ISE, dated May 4, 2012.

comment letters⁷ and a second response letter from the Exchange.⁸ On June 20, 2012, the Commission instituted proceedings to determine whether to disapprove the proposed rule change, as modified by Amendment No. 1.⁹ The Commission thereafter received six comment letters¹⁰ and two response letters from the Exchange.¹¹

Section 19(b)(2) of the Act¹² provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for notice and comment in the Federal Register on March 22, 2012.

⁷ See letters to Elizabeth M. Murphy, Secretary, Commission, from Edward T. Tilly, President and Chief Operating Officer, CBOE, dated June 7, 2012; Kenneth M. Vittor, Executive Vice President and General Counsel, McGraw-Hill Companies, Inc., dated June 18, 2012; and Edward T. Tilly, President and Chief Operating Officer, CBOE, dated June 19, 2012.

⁸ See letter to Elizabeth M. Murphy, Secretary, Commission, from Michael J. Simon, Secretary and General Counsel, ISE, dated June 15, 2012.

⁹ See Securities Exchange Act Release No. 67225 (June 20, 2012), 77 FR 38100 (June 26, 2012) (“Order Instituting Proceedings”).

¹⁰ See letters to Elizabeth M. Murphy, Secretary, Commission, from Christopher Nagy, President, KOR Trading LLC, dated August 6, 2012; John L. Jacobs, Executive Vice President, NASDAQ OMX Global Index Group, NASDAQ OMX Group, Inc., dated August 10, 2012; Kenneth M. Vittor, Executive Vice President and General Counsel, McGraw-Hill Companies, Inc., dated August 10, 2012; Edward T. Tilly, President and Chief Operating Officer, CBOE, dated August 10, 2012; John V. O’Hanlon, Dechert LLP, on behalf of the Index Industry Association, dated August 10, 2012; and Edward T. Tilly, President and Chief Operating Officer, CBOE, dated August 27, 2012.

¹¹ See letters to Elizabeth M. Murphy, Secretary, Commission, from Michael J. Simon, Secretary, ISE, dated August 10, 2012 and August 27, 2012.

¹² 15 U.S.C. 78s(b)(2).

September 18, 2012 is 180 days from that date, and November 17, 2012 is 240 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider this proposed rule change, the issues raised in the comment letters that have been submitted in response to the proposed rule change, including comment letters submitted in response to the Order Instituting Proceedings, and the Exchange's responses to such comments.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,¹³ designates November 17, 2012 as the date by which the Commission shall either approve or disapprove the proposed rule change (File No. SR-ISE-2012-22).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Kevin M. O'Neill
Deputy Secretary

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ 17 CFR 200.30-3(a)(57).