

subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method of submission. 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 Section, 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 OCC and on OCC's Web site at http://www.theocc.com/components/docs/legal/rules_and_bylaws/sr_occ_14_05.pdf.

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-OCC-2014-05 and should be submitted on or before April 17, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71765; File No. SR-ISE-2014-17]

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

March 21, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,²

notice is hereby given that on March 7, 2013, 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 Substance of the Proposed Rule Change

The ISE proposes to amend the Schedule of Fees. 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 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 purpose of the proposed rule change is to amend the Schedule of Fees as described in more detail below. The fee changes discussed apply to both Standard Options and Mini Options traded on Exchange. The Exchange's Schedule of Fees has separate tables for fees applicable to Standard Options and Mini Options. The Exchange notes that while the discussion below relates to fees for Standard Options, the fees for Mini Options, which are not discussed below, are and shall continue to be 1/10th of the fees for Standard Options.

1. Market Maker Plus Rebate for Select Symbols

In order to promote and encourage liquidity in symbols that are in the penny pilot program ("Select Symbols"), the Exchange currently

offers Market Makers³ that meet the quoting requirements for Market Maker Plus⁴ a rebate of \$0.10 per contract for adding liquidity in those symbols. In addition, the Exchange pays a higher rebate of \$0.12 per contract to Market Makers that meet the quoting requirements for Market Maker Plus and are affiliated with an Electronic Access Member ("EAM") that executes a total affiliated Priority Customer⁵ average daily volume ("ADV") of 200,000 contracts or more in a calendar month.⁶ The Exchange now proposes to increase the Market Maker Plus rebate to \$0.20 per contract, and \$0.22 per contract for Members that currently qualify for the higher rebate based on affiliated Priority Customer volume. The Exchange also proposes to modify the requirements for Market Maker Plus to only look to all expirations in the front two months,⁷ and to reduce the premium requirements for series on which the Market Maker Plus calculations are based.⁸ As proposed, a Market Maker

³ The term "Market Makers" refers to "Competitive Market Makers" and "Primary Market Makers" collectively. See ISE Rule 100(a)(25).

⁴ A Market Maker Plus is a Market Maker who is on the National Best Bid or National Best Offer at least 80% of the time for series trading between \$0.03 and \$5.00 (for options whose underlying stock's previous trading day's last sale price was less than or equal to \$100) and between \$0.10 and \$5.00 (for options whose underlying stock's previous trading day's last sale price was greater than \$100) in premium in each of the front two expiration months and at least 80% of the time for series trading between \$0.03 and \$5.00 (for options whose underlying stock's previous trading day's last sale price was less than or equal to \$100) and between \$0.10 and \$5.00 (for options whose underlying stock's previous trading day's last sale price was greater than \$100) in premium for all expiration months in that symbol during the current trading month. A Market Maker's single best and single worst overall quoting days each month, on a per symbol basis, will be excluded in calculating whether a Market Maker qualifies for this rebate, if doing so will qualify a Market Maker for the rebate.

⁵ A Priority Customer is defined in ISE Rule 100(a)(37A) as a person or entity that is not a broker/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).

⁶ See Securities Exchange Act Release No. 70872 (November 14, 2013), 78 FR 69718 (November 20, 2013) (SR-ISE-2013-57).

⁷ Currently, a Market Maker qualifies for Market Maker Plus if it is on the NBBO a specified percentage of the time in each of the front two expiration months, and separately for all expiration months in that symbol during the current trading month. See *supra* note 2.

⁸ The Exchange currently determines whether a Market Maker qualifies as a Market Maker Plus at the end of each month by looking back at each Market Maker's quoting statistics per symbol during that month. The Exchange will continue to monitor each Market Maker's quoting statistics to determine whether a Market Maker qualifies for a rebate under the standards proposed herein. The Exchange also currently provides Market Makers a report on a daily basis with quoting statistics so that Market Makers can determine whether or not they are

¹⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

will qualify for Market Maker Plus rebates if it is on the National Best Bid or National Best Offer at least 80% of the time for series trading between \$0.03 and \$3.00 (for options whose underlying stock's previous trading day's last sale price was less than or equal to \$100) and between \$0.10 and \$3.00 (for options whose underlying stock's previous trading day's last sale price was greater than \$100) in premium in each of the front two expiration months. As is currently the case, a Market Maker's single best and single worst overall quoting days each month, on a per symbol basis, will be excluded in calculating whether a Market Maker qualifies for Market Maker Plus, if doing so will qualify a Market Maker for the rebate.

2. Taker Fee for Select Symbols

The Exchange currently assesses per contract transaction fees and provides rebates to market participants that add or remove liquidity from the Exchange ("maker/taker fees and rebates") in Select Symbols. For regular orders that remove liquidity in Select Symbols, the Exchange currently charges a taker fee of: (i) \$0.34 per contract for Market Maker and Market Maker Plus orders, (ii) \$0.38 per contract for Non-ISE Market Maker orders,⁹ (iii) \$0.35 per contract for Firm Proprietary/Broker-Dealer¹⁰ and Professional Customer orders,¹¹ and (iv) \$0.32 per contract for Priority Customer orders.

The Exchange now proposes to decrease the taker fee for Priority Customer orders and increase the taker fee for other market participant types. In particular, the Exchange proposes to decrease the taker fee for Priority Customer orders in Select Symbols to \$0.25 per contract. For Market Maker and Market Maker Plus orders in Select Symbols the Exchange proposes to increase the taker fee to \$0.42 per contract. And for Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, and Professional Customer orders the

meeting the Exchange's current stated criteria. Again, the Exchange will continue to provide Market Makers a daily report so that Market Makers can track their quoting activity to determine whether or not they qualify for the Market Maker Plus rebate.

⁹ 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.

¹⁰ A "Firm Proprietary" order is an order submitted by a member for its own proprietary account. A "Broker-Dealer" order is an order submitted by a member for a non-member broker-dealer account.

¹¹ A "Professional Customer" is a person or entity that is not a broker/dealer and is not a Priority Customer.

Exchange proposes to increase the taker fee to \$0.45 per contract.

3. Responses to Crossing Orders

The Exchange charges a fee for responses to Crossing Orders¹² for regular and complex orders in Select and Non-Select Symbols as well as for Foreign Currency ("FX") Option Symbols. For Crossing Orders in Select Symbols this response fee is a uniform \$0.40 per contract for regular orders, and \$0.44 per contract for complex orders. For regular orders in Non-Select Symbols and FX Option Symbols the response fee is \$0.22 per contract for Market Maker orders (subject to applicable tier discounts),¹³ \$0.20 per contract for Market Maker orders sent by an EAM, \$0.45 per contract for Non-ISE Market Maker orders, and \$0.30 per contract for Firm Proprietary/Broker-Dealer and Professional Customer orders. Early Adopter Market Makers do not pay a response fee in Early Adopter FX Option Symbols.¹⁴ For Priority Customer orders the response fee is \$0.20 per contract for regular orders in Non-Select Symbols,¹⁵ and \$0.40 per contract for regular orders in FX Option Symbols, including the Early Adopter Symbols. For complex orders in Non-Select Symbols the response fee is \$0.87 per contract for Market Maker, Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, and Professional Customer orders.¹⁶ Priority Customers are not currently charged a fee for responses to complex Crossing Orders in Non-Select Symbols.

The Exchange proposes to increase the fee for responses to Crossing Orders as follows. For regular orders in Select Symbols, Non-Select Symbols, and FX Options Symbols, as well as complex orders in Select Symbols, the fee for

¹² 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.

¹³ See Schedule of Fees, Section VI.C for applicable tier discounts.

¹⁴ An Early Adopter Market Maker is a Market Maker that entered into a revenue sharing agreement with the Exchange on or before March 30, 2012 to make markets in Early Adopter FX Option Symbols.

¹⁵ This fee applies to both singly and multiply listed options in Non-Select Symbols.

¹⁶ Complex order fees and rebates for Non-Select Symbols in Section II of the Schedule of Fees apply for complex orders in FX Option Symbols. Currently, the Schedule of Fees notes that "Complex Order fees and rebates in Section II apply for FX Option Symbols." As this language is somewhat ambiguous, the Exchange proposes to modify it to state that "Complex Order fees and rebates for Non-Select Symbols in Section II apply for FX Option Symbols."

responses to Crossing Orders will be increased to \$0.45 per contract for all market participants,¹⁷ except that Early Adopter Market Makers will continue to pay no response fee in Early Adopter FX Option Symbols. For complex orders in Non-Select Symbols the fee for responses to Crossing Orders will be \$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.

4. PIM Fees and Break-up Rebate

Currently, the Exchange charges a fee for Crossing Orders which applies to regular and complex orders executed in the ISE's Facilitation, Solicited Order, Block Order, or Price Improvement Mechanism ("PIM"), or submitted as a Qualified Contingent Cross ("QCC") order.¹⁸ This fee applies to Market Maker, Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, and Professional Customer orders in regular and complex orders in Select and Non-Select Symbols, as well as FX Option Symbols,¹⁹ and to regular Priority Customer orders in singly listed Non-Select Symbols and FX Option Symbols only. For Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, and Professional Customer orders the fee for Crossing Orders is \$0.20 per contract across all symbols for both regular and complex orders. Priority Customer orders are also charged a fee of \$0.20 per contract for regular orders in singly listed Non-Select Symbols, but pay a higher fee of \$0.40 per contract in Early Adopter and other FX Option Symbols. Priority Customer orders do not pay a fee for regular Crossing Orders in Select Symbols or multiply listed Non-Select Symbols, or for complex orders. Market Maker orders pay a fee of \$0.20 per contract for regular orders in Select Symbols,²⁰ and in both Non-Select and FX Option Symbols for orders sent by an EAM, as well as in complex orders. Regular Market Maker orders in Non-Select and FX Option Symbols that are not sent by an EAM are charged a fee of \$0.22 per contract, subject to

¹⁷ Under the proposed fee structure Market Maker responses to Crossing Orders in Non-Select Symbols and FX Option Symbols will not be eligible for the current tier discounts provided under Section VI.C of the Schedule of Fees.

¹⁸ For complex orders the Exchange currently only charges the largest leg.

¹⁹ Complex order fees and rebates for Non-Select Symbols in Section II of the Schedule of Fees apply for complex orders in FX Option Symbols.

²⁰ This fee applies to both Market Makers and Market Maker Plus.

applicable tier discounts.²¹ Early Adopter Market Makers are not charged a fee for Crossing Orders in Early Adopter FX Options symbols.

The Exchange now proposes to adopt separate fees for PIM orders that meet specified size requirements. In particular, the Exchange proposes to charge a fee of \$0.05 per contract for Market Maker, Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, and Professional Customer orders for one hundred or fewer contracts executed in the PIM. For complex orders, the quantity of the largest leg will be used to determine if the order meets the size requirement for the reduced fee. While currently only the largest leg of a complex Crossing Order is charged a fee, however, the new proposed fee for complex PIM orders will apply to all legs. For example, a Broker-Dealer complex PIM order containing three option legs of 10 contracts each will be assessed a fee equal to the total number of Broker-Dealer contracts (3 legs × 10 contracts each) multiplied by \$0.05. For Members that execute an average daily volume (“ADV”) in Priority Customer PIM orders of 20,000 or more contracts in a given month, the fee for Market Maker, Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, and Professional Customer orders will be reduced further to \$0.03 per contract, which will be applied retroactively to all eligible PIM volume in that month once the threshold has been reached.²² As is currently the case, Priority Customer orders will not pay a fee for regular orders in Select Symbols, multiply listed Non-Select Symbols, or for complex orders, and Early Adopter Market Makers will not pay a fee in Early Adopter FX Options Symbols, for orders executed in the PIM. The Exchange will continue to charge regular Priority Customer orders in singly listed Non-Select Symbols and FX Option Symbols (including Early Adopter FX Option Symbols) at the applicable rate for Crossing Orders. Fees for PIM orders of greater than 100 contracts, as well as orders executed in the Exchange’s other crossing mechanisms, will also remain at their current rates but fees for PIM orders of greater than 100 contracts, like the fees for a PIM order of 100 or fewer contracts, will now be charged for all legs.

²¹ See Schedule of Fees, Section VI.C for applicable tier discounts.

²² Under the proposed fee structure Market Maker PIM orders of 100 or fewer contracts in Non-Select Symbols and FX Option Symbols will not be eligible for the current tier discounts provided under Section VI.C of the Schedule of Fees.

For regular and complex PIM orders in Select Symbols that do not trade with their contra order, the Exchange currently provides a break-up rebate of \$0.25 per contract for Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, Professional Customer, and Priority Customer orders in Select Symbols.²³ The Exchange proposes to increase this rebate to \$0.35 per contract. In addition, the Exchange proposes to introduce a new break-up rebate for regular and complex orders in Non-Select Symbols and in FX Option Symbols executed in the PIM by the above listed market participants. This rebate will be \$0.15 per contract for regular orders in Non-Select Symbols and in FX Option Symbols, and \$0.80 per contract for complex orders in Non-Select Symbols.²⁴ Market Makers are not permitted to enter orders into PIM and will therefore not be eligible for this rebate.

5. Priority Customer Complex Order Tiers

The Exchange currently provides volume-based tiered rebates for Priority Customer complex orders when these orders trade with non-Priority Customer orders in the complex order book,²⁵ or trade with quotes and orders on the regular order book.²⁶ These complex order rebates are provided to Members based on the Member’s ADV in Priority Customer complex contracts in six volume tiers as follows: 0 to 39,999 (Tier 1), 40,000 to 74,999 (Tier 2), 75,000 to 124,999 (Tier 3), 125,000 to 224,999 (Tier 4), 225,000 to 299,999 (Tier 5), 300,000 or more (Tier 6). A Member that executes an ADV of 40,000 to 74,999 Priority Customer complex contracts (i.e., Tier 2) is entitled to a rebate of \$0.37 per contract for Select Symbols (excluding SPY), \$0.40 per contract for SPY, and \$0.75 per contract for non-Select Symbols, in each case when trading with non-Priority Customer orders in the complex order book. When trading against quotes and orders on the regular order book this rebate is \$0.14 per contract for all

²³ The fee for Crossing Orders is applied to any contracts for which a rebate is provided.

²⁴ The applicable fee is applied to any contracts for which a rebate is provided.

²⁵ The Exchange offers a rebate in Standard and Mini Options for Priority Customer complex orders in (i) Select Symbols (excluding SPY), (ii) SPY, and (iii) non-Select Symbols, when these orders trade with non-Priority Customer orders in the complex order book.

²⁶ The Exchange offers a rebate in Standard and Mini Options for Priority Customer complex orders that trade with quotes and orders on the regular order book in (i) SPY, and (ii) other symbols excluding SPY.

symbols (excluding SPY), and \$0.15 per contract for SPY.

The Exchange now proposes to decrease the volume requirements necessary for achieving Tier 2 Priority Customer complex order rebates. As proposed, a Member that executes an ADV of 30,000 to 74,999 Priority Customer complex contracts will now be entitled to the Tier 2 rebates described above. Members that execute an ADV of 0 to 29,999 Priority Customer complex contracts will continue to receive Tier 1 rebates. By decreasing the lower ADV threshold for Tier 2 from 40,000 contracts to 30,000 contracts the Exchange expects to attract additional Priority Customer complex order volume to the ISE.

In addition, the Exchange proposes to delete outdated footnote references to an incremental tier for Priority Customer complex volume that was recently replaced with a new tier that applies retroactively to all Priority Customer complex volume.²⁷

6. Credit for Responses to Flash Orders

Currently, when the ISE is not at the National Best Bid or Offer (“NBBO”), Public Customer²⁸ and Non-Customer²⁹ orders are exposed to all ISE members to give them an opportunity to match the NBBO (“Flash Orders”) before the order is routed to another exchange for execution or is cancelled.³⁰ As an incentive to attract Public Customer orders to the ISE, the Exchange offers a Credit for Responses to Flash Orders when trading against Priority and Professional Customer orders.³¹ In Select Symbols, this credit is \$0.10 per contract when trading against Priority or Professional Customer orders or \$0.12 per contract when trading against Preferred Priority Customer orders.³² In non-Select Symbols the credit is \$0.20 per contract when trading against Professional Customer orders only. The Exchange now proposes to decrease the Credit for Responses to Flash Orders to \$0.05 per contract when trading against

²⁷ See Exchange Act Release No. 70873 (November 14, 2013), 78 FR 69714 (November 20, 2013) (SR-ISE-2013-56).

²⁸ The term “Public Customer” means a person or entity that is not a broker or dealer in securities. Public Customers include both Priority and Professional Customers.

²⁹ The term “Non-Customer” means a person or entity that is a broker or dealer in securities.

³⁰ A “Flash Order” is an order that is exposed at the NBBO by the Exchange to all members for execution, as provided under Supplementary Material .02 to ISE Rule 1901.

³¹ No fee is charged or credit provided when trading against a non-Customer.

³² The credit for responses to Preferred Priority Customer orders applies to an ISE Market Maker when trading against a Priority Customer order that is preferred to that Market Maker.

Priority Customer orders in Select Symbols or Professional Customer orders in Select and Non-Select Symbols. The Exchange will no longer offer an increased credit for trading against Preferred Priority Customer orders.

7. ISE Gemini Name Change

Finally, the Exchange notes that its sister exchange recently filed to change its name from the Topaz Exchange, LLC to ISE Gemini, LLC.³³ Certain text in the ISE Schedule of Fees references the Topaz Exchange, LLC in noting that certain fees provide connectivity to both exchanges.³⁴ The Exchange proposes to replace all references to the Topaz Exchange, LLC with updated references to ISE Gemini, LLC.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,³⁵ in general, and Section 6(b)(4) of the Act,³⁶ 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 is retrofitting its fees and rebates in order to remain competitive with other options exchanges and believes that each of these changes are reasonable, equitable, and not unfairly discriminatory for the reasons discussed below. The Exchange believes that taken as a whole the proposed changes, which increase certain fees in addition to providing higher rebates, will be attractive to market participants that trade on the ISE.

1. Market Maker Plus Rebate for Select Symbols

The Exchange believes that the proposed increase to the Market Maker Plus rebate is reasonable and equitable because it will encourage Market Makers to post tighter markets in Select Symbols and thereby maintain liquidity and attract additional order flow to the ISE, which will ultimately benefit all market participants that trade on the Exchange. The Market Maker Plus rebate is competitive with incentives provided by other exchanges, and has proven to be an effective incentive for Market Makers to provide liquidity in Select Symbols. The Exchange believes

that the proposed Market Maker Plus rebate is reasonable and equitably allocated to those members that direct orders to the Exchange rather than to a competing exchange. The Exchange also believes that the new Market Maker Plus rebate is not unfairly discriminatory because all Market Makers can achieve the higher rebates by satisfying the applicable Market Maker Plus requirements. Furthermore, the Exchange believes that the proposed changes to qualification requirements are reasonable, equitable, and not unfairly discriminatory as they are designed to focus attention on tighter quoting by Market Makers in the front two expiration months, and to a smaller subset of series trading within the proposed premium parameters, where the majority of trading volume occurs. The Exchange believes that these changes will encourage higher participation in the Market Maker Plus program, while still incentivizing market makers to post tighter markets in the series identified above.

2. Taker Fee for Select Symbols

The Exchange believes that its proposal to decrease the taker fee for Priority Customer orders, and to increase the taker fee for Non-ISE Market Maker, Firm Proprietary/Broker-Dealer, and Professional Customer orders in Select Symbols is reasonable and equitable because the proposed fees are within the range of fees assessed by other exchanges employing similar pricing schemes. While the Exchange is proposing a fee increase for certain market participants, the proposed fees are lower, for example, than the fee for removing liquidity currently charged by the NASDAQ Options Market ("NOM"), which ranges from \$0.47 per contract to \$0.49 per contract in penny pilot symbols.³⁷

The Exchange notes that with this proposed fee change, the fee charged to Priority Customer orders will remain lower (as it historically has always been) than the fee charged to other market participants, including Professional Customers. The Exchange believes that it is equitable and not unfairly discriminatory to charge a lower fee for Priority Customer orders than Professional Customer orders 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 believes that attracting more liquidity from Priority Customers will benefit all market participants that trade on the ISE.

3. Responses to Crossing Orders

The Exchange believes that the proposed increase to fees for responses to Crossing Orders is reasonable, equitable, and not unfairly discriminatory. As proposed, the response fee will now be uniform for regular orders in Select and Non-Select Symbols, as well as FX Options Symbols, across all market participant types. As is currently the case, the Exchange will continue to charge a higher fee for responses to complex Crossing Orders in Non-Select symbols, which reflects the higher fees generally charged for complex orders in these symbols. The Exchange notes that Priority Customers will now pay a fee for responses to complex Crossing Orders in Non-Select Symbols, eliminating an incentive previously provided to Priority Customer orders in those symbols. The Exchange believes that this proposed change is reasonable, equitable, and not unfairly discriminatory as the response fee for complex Crossing Orders executed for Priority Customers in Non-Select Symbols will now be in line with the fees charged to other market participants, as is the case currently in Select Symbols. Furthermore, while Market Makers will be entitled to a lower response fee than other market participants for complex Crossing Orders in Non-Select Symbols, the Exchange believes that this is appropriate and not unfairly discriminatory because Market Makers have different requirements and obligations to the Exchange that other market participants do not (such as quoting requirements). The Exchange believes that it is equitable and not unfairly discriminatory to charge higher fees to market participants that do not have the requirements and obligations that Market Makers do.

4. PIM Fees and Break-up Rebate

The Exchange believes that the proposed changes to PIM fees and the break-up rebate are reasonable, equitable, and not unfairly discriminatory. By increasing the break-up rebate provided for contracts that are submitted to PIM that do not trade with their contra order, and lowering fees for

³³ See Exchange Act Release No. 71586 (February 20, 2014), 79 FR 10861 (February 26, 2014) (SR-Topaz-2014-06).

³⁴ See Exchange Act Release No. 71324 (January 16, 2014), 79 FR 3911 (January 23, 2014) (SR-ISE-2014-01).

³⁵ 15 U.S.C. 78f.

³⁶ 15 U.S.C. 78f(b)(4).

³⁷ See NOM Rules, Chapter XV Options Pricing, Sec. 2 NASDAQ Options Market—Fees and Rebates.

PIM orders of one hundred or fewer contracts, the fee change is designed to encourage Members to execute this order flow in the PIM rather than on competing exchanges. In connection with this proposed change, the Exchange believes that it is reasonable and equitable to provide a significantly higher break-up rebate for complex PIM orders in Non-Select symbols, which reflects the higher level of fees and rebates generally offered for complex orders in these symbols. While the Exchange will now charge for all legs of complex PIM orders, the Exchange believes that market participants will benefit from lower overall fees for their PIM trades. In addition, providing a further discount to Members that execute a higher ADV of Priority Customer PIM orders will encourage Members to send additional order flow to the ISE in order to qualify for the reduced fees. While this incentive is specifically targeted towards Priority Customer orders, the Exchange does not believe that this is unfairly discriminatory. Priority Customer orders on the Exchange are generally entitled to lower or no fees as the Exchange believes that attracting more liquidity from Priority Customers will benefit all market participants that trade on the ISE.

5. Priority Customer Complex Order Tiers

The Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to decrease the volume requirements necessary for achieving Tier 2 Priority Customer complex order rebates as this proposed change is designed to attract additional Priority Customer complex order volume to the ISE. The Exchange already provides volume-based tiered rebates for Priority Customer complex orders, and believes that lowering the volume threshold for the second tier of complex order rebates will incentivize Members to send additional order flow to the ISE in order to achieve the more attainable rebates for their Priority Customer complex order volume. In addition, the Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to delete inapplicable footnote text as this is a non-substantive change intended to reduce investor confusion.

6. Credit for Responses to Flash Orders

The Exchange believes that it is reasonable and equitable to decrease the Credit for Responses to Flash Orders as the higher credits previously offered were unsuccessful in encouraging market participants to respond to Flash Orders. The Exchange has recently

experimented with higher credits,³⁸ and has now determined to offer a reduced incentive. In addition, the Exchange believes that the proposed change is equitable and not unfairly discriminatory as the credit provided will now be the same for all Priority Customer orders in Select Symbols and Professional Customer Orders in Select and Non-Select symbols. The Exchange does not believe that the proposed change will affect the execution quality of Public Customer orders, which, in the absence of sufficient responses, will continue to be routed to the market with the best price in accordance with the ISE's linkage handling rules.

7. ISE Gemini Name Change

The Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to update references to the name of its sister exchange as this is a non-substantive change. ISE Gemini, LLC, which was formerly known as the Topaz Exchange, LLC, recently filed to change its name, and the ISE believes that updating references to its sister exchange in the fee schedule will reduce investor confusion.

The Exchange notes that it has determined to charge fees and provide rebates in Mini Options at a rate that is 1/10th the rate of fees and rebates the Exchange provides for trading in Standard Options. The Exchange believes it is reasonable and equitable and not unfairly discriminatory to assess lower fees and rebates to provide market participants an incentive to trade Mini Options on the Exchange. The Exchange believes the proposed fees and rebates are reasonable and equitable in light of the fact that Mini Options have a smaller exercise and assignment value, specifically 1/10th that of a standard option contract, and, as such, is providing fees and rebates for Mini Options that are 1/10th of those applicable to Standard Options.

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

In accordance with Section 6(b)(8) of the Act,³⁹ 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. To the contrary, the Exchange believes that the proposed rule change is pro-competitive as it is designed to attract additional order flow to the ISE. While the

Exchange is increasing the fees for certain market participants, the Exchange does not believe that this will cause an undue burden on competition as the increased fees are still within the range of fees charged by 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 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 Act⁴⁰ and subparagraph (f)(2) of Rule 19b-4 thereunder,⁴¹ 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

³⁸ See Securities Exchange Act Release No. 70873 (November 14, 2013), 78 FR 69714 (November 20, 2013) (SR-ISE-2013-56).

³⁹ 15 U.S.C. 78f(b)(8).

⁴⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴¹ 17 CFR 240.19b-4(f)(2).

• Send an Email to rule-comments@sec.gov. Please include File No. SR–ISE–2014–17 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–2014–17. 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 ISE. 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–2014–17 and should be submitted by April 17, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴²

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014–06759 Filed 3–26–14; 8:45 am]

BILLING CODE 8011–01–P

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

AGENCY: Small Business Administration.
ACTION: 30-Day Notice.

SUMMARY: The Small Business Administration (SBA) is publishing this

notice to comply with requirements of the Paperwork Reduction Act (PRA) (44 U.S.C. Chapter 35), which requires agencies to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission. This notice also allows an additional 30 days for public comments.

DATES: Submit comments on or before April 28, 2014.

ADDRESSES: Comments should refer to the information collection by name and/or OMB Control Number and should be sent to: *Agency Clearance Officer*, Curtis Rich, Small Business Administration, 409 3rd Street SW., 5th Floor, Washington, DC 20416; and *SBA Desk Officer*, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: Curtis Rich, Agency Clearance Officer, (202) 205–7030 curtis.rich@sba.gov

Copies: A copy of the Form OMB 83–1, supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer.

SUPPLEMENTARY INFORMATION: The Small Business Administration needs to collect this information to determine an applicant's eligibility for admission into the 8(a) Business Development (BD) Program and for continued eligibility to participate in the Program. SBA also uses some of the information for an annual report to Congress on the 8(a) BD Program. Respondents can be individuals and firms making applications to the 8(a) BD Program, or respondents can be individuals and Participant firms revising information related to the 8(a) BD Program Annual Review.

Summary of Information Collections

(1) *Title:* 8(A) SDB Paper and Electronic Application.

Description of Respondents: 8(A) SDB Participants.

Form Numbers: 1010, ANC, NHO, IND, AIT and C.

Estimated Annual Responses: 11,364.

Estimated Annual Hour Burden: 45,745.

Curtis B. Rich,
Management Analyst.

[FR Doc. 2014–06795 Filed 3–26–14; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

AGENCY: Small Business Administration.
ACTION: 30-Day Notice.

SUMMARY: The Small Business Administration (SBA) is publishing this notice to comply with requirements of the Paperwork Reduction Act (PRA) (44 U.S.C. Chapter 35), which requires agencies to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission. This notice also allows an additional 30 days for public comments.

DATES: Submit comments on or before April 28, 2014.

ADDRESSES: Comments should refer to the information collection by name and/or OMB Control Number and should be sent to: *Agency Clearance Officer*, Curtis Rich, Small Business Administration, 409 3rd Street SW., 5th Floor, Washington, DC 20416; and *SBA Desk Officer*, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: Curtis Rich, Agency Clearance Officer, (202) 205–7030, curtis.rich@sba.gov.

Copies: A copy of the Form OMB 83–1, supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer.

SUPPLEMENTARY INFORMATION: To obtain the information needed to carry out its program evaluation and oversight responsibilities, SBA requires small business investment companies (SBIC'S) to provide information on SBA Form 1031 each time financing is extended to a small business concern. SBA uses this information to evaluate how SBIC'S fill market financing gaps and contribute to economic growth, and to monitor the regulatory compliance of individual SBIC'S.

Summary of Information Collections

(1) *Title:* Portfolio Financing Report.

Description of Respondents: Small Business Investment Companies.

Form Number: 1031.

Estimated Annual Responses: 2,800.

Estimated Annual Hour Burden: 560.

Curtis B. Rich,
Management Analyst.

[FR Doc. 2014–06794 Filed 3–26–14; 8:45 am]

BILLING CODE 8025–01–P

⁴² 17 CFR 200.30–3(a)(12).