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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-72561; File No. SR-MIAX-2014-35)

July 8, 2014

Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Its Fee Schedule

Pursuant to the provisions of 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 June 25, 2014, Miami International Securities Exchange LLC (“MIAX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a 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 is filing a proposal to amend its Fee Schedule. The text of the proposed rule change is available on the Exchange’s website at http://www.miaxoptions.com/filter/wotitle/rule_filing, at MIAX’s principal office, 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 the Fee Schedule to reduce several testing and certification fees and System connectivity fees for non-Members. Specifically, the Exchange proposes to: (i) reduce the non-Member API testing and certification fee; (ii) reduce the non-Member networking and certification fees; (iii) eliminate the fees for non-Members to test and certify additional connections; and (iv) reduce the non-Member networking connectivity fee.

API Testing and Certification

The Exchange assesses a one-time Application Programming Interface (“API”) testing and certification fee on non-Members. Specifically, the Exchange assesses a one-time API Testing and Certification fee of \$5,000.00 on third party vendors³ and Service Bureaus⁴ whose software interfaces with MIAX software. The API makes it possible for third party vendors’ and Service Bureaus’ software to communicate with MIAX software applications, and is subject to testing with, and certification by, the Exchange. The Exchange originally established a higher fee for non-Members to reflect the greater amount of time spent by Exchange employees testing and certifying non-Members.⁵ Up to that point, it had been the Exchange’s experience that Member testing takes less time than non-Member testing because Members have more

³ Third party vendors are subscribers of MIAX’s market and other data feeds, which they in turn use for redistribution purposes. Third party vendors do not provide connectivity and therefore are not subject to Network testing and certification.

⁴ A Service Bureau is a technology provider that offers and supplies technology and technology services to a trading firm that does not have its own proprietary system. The technology and technology services supplied by Service Bureaus includes both software applications and connectivity, thus Service Bureaus are subject to both API testing and certification and Network testing and certification.

⁵ See Securities Exchange Act Release No. 68645 (January 14, 2013), 78 FR 4175 (January 18, 2013) (SR-MIAX-2012-05).

experience testing these systems with exchanges; generally fewer questions and issues arise during the testing and certification process.⁶ Also, because third party vendors and Service Bureaus are redistributing data and reselling services to other Members and market participants the number and types of scenarios that need to be tested are more numerous and complex than those tested and certified for a single Member.⁷ Although the cost to the Exchange to provide this service to non-Members remains higher than for Members, the Exchange proposes to reduce the API testing and certification fee to \$1,000, the same price as EEMs in order to incent more non-Members to use the service.⁸

Non-Member Network Testing and Certification Fee

The Exchange assesses a one-time Network Testing and Certification fee on Service Bureaus and Extranet Providers.⁹ Specifically, the Exchange assesses a one-time Service Bureaus and Extranet Providers fee of \$2,000.00 for the initial one Gigabit connection and \$1,000 for each additional one Gigabit connection and \$6,000.00 for the initial ten Gigabit connection and \$4,000.00 for each additional ten Gigabit connection. The non-Member Network Testing and Certification fees represent installation and support costs incurred by the Exchange as it works with each non-Member to make sure there are appropriate electronic connections with the Exchange. The Exchange originally established a higher fee for non-Members to reflect

⁶ Id.

⁷ Id.

⁸ Notwithstanding the proposal reducing the fees for providing this service to non-Members despite the higher cost, the Exchange represents that it will continue to have adequate resources to fund its regulatory program and fulfill its responsibilities as a self-regulatory organization while the reduced fees are in effect.

⁹ An Extranet Provider is a technology provider that connects with MIAX systems and in turn provides such connectivity to MIAX participants that do not connect directly with MIAX. Extranet Providers do not provide software interfaces with MIAX software applications, thus Extranet Providers are not subject to API testing and certification.

the greater amount of time spent by the Exchange employees testing and certifying non-Members.¹⁰ Up to that point, it had been the Exchange’s experience that Member network connectivity testing takes less time than non-Member network connectivity testing because Members have more experience testing these systems with exchanges; generally fewer questions and issues arise during the testing and certification process.¹¹ In addition, non-Members are charged a discounted Network Testing and Certification Fee for additional connections because each connection will be used by different customers of the non-Member Service Bureaus and Extranet Providers and will need to be individually tested requiring more Exchange resources for testing and certification. Although the cost to the Exchange to provide this service to non-Members remains higher than for Members, the Exchange proposes to reduce the Network Testing and Certification Fee to \$1,000.00 per Member [sic] for a one Gigabit connection, and \$4,000.00 per Member [sic] for a ten Gigabit connection in order to incent more non-Members to use the service.¹² In addition, the Exchange proposes not to charge non-Members a Testing and Certification Fee for any additional connections they obtain. This will align the pricing of these services for non-Members with the current charges for Members.

Non-Member Network Connectivity Fees

The Exchange assesses fees to Service Bureaus, and Extranet Providers for electronic connections¹³ between those entities and the Exchange. The Connectivity fees are based upon

¹⁰ Id.

¹¹ Id.

¹² Notwithstanding the proposal reducing the fees for providing this service to non-Members despite the higher cost, the Exchange represents that it will continue to have adequate resources to fund its regulatory program and fulfill its responsibilities as a self-regulatory organization while the reduced fees are in effect.

¹³ For purposes of this proposed rule change, the terms “connectivity” and “connections” refer to the physical connections between Member and non-Member electronic networks and the MIAX systems.

the amount of bandwidth that will be used by the Service Bureau, or Extranet Provider. Specifically, the Exchange assesses a monthly non-Member Network Connectivity fee to Service Bureaus and Extranet Providers of \$2,000.00 for a one Gigabit connection, and \$10,000.00 for a ten Gigabit connection. The Exchange originally established a higher fee to Service Bureaus and Extranet Providers than to Members to reflect the fact that Service Bureaus and Extranet Providers serve as conduits to MIAX Members and non-Members that do not have their own proprietary systems or do not directly connect to MIAX. The Service Bureaus and Extranet Providers recover the cost of the MIAX Network Connectivity fee from their customers, resulting in a lower overall fee to Members and non-Members using the services of such third party providers. Although the cost to the Exchange to provide this service to non-Members remains higher than for Members, the Exchange proposes to lower the monthly non-Member Network Connectivity fee for Service Bureaus and Extranet Providers to \$1,000.00 for a one Gigabit connection, and \$5,000.00 for a ten Gigabit connection, the level as currently charged to Members in order to incent more non-Members to use the service.¹⁴

The Exchange proposes to implement the new fee beginning July 1, 2014.

2. Statutory Basis

The Exchange believes that its proposal to amend its fee schedule is consistent with Section 6(b) of the Act¹⁵ in general, and furthers the objectives of Section 6(b)(4) of the Act¹⁶ in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members.

¹⁴ Notwithstanding the proposal reducing the fees for providing this service to non-Members despite the higher cost, the Exchange represents that it will continue to have adequate resources to fund its regulatory program and fulfill its responsibilities as a self-regulatory organization while the reduced fees are in effect.

¹⁵ 15 U.S.C. 78f(b).

¹⁶ 15 U.S.C. 78f(b)(4).

The Exchange believes the proposed fees are a reasonable allocation of its costs and expenses among its Members and other persons using its facilities since it is recovering the costs associated with providing such infrastructure testing and certification services, and with offering access through the network connections and access and services through the Ports, responding to customer requests, configuring MIAX systems, programming API user specifications and administering the various services connectivity services. Access to the Exchange is provided on fair and non-discriminatory terms. The proposed fees are reasonable since they are in the range of similar fees charged by another exchange. The Exchange believes the proposed fees are equitable and not unfairly discriminatory because the new fee levels result in a more reasonable and equitable allocation of fees amongst non-Members and Members for similar services.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposal will allow the Exchange to reduce non-Member fees to align them with similar fees charged to Member and thus should promote competition amongst these participants for these types of services. The proposal also reduces fees in a manner that should improve competition with another competing exchange by changing its rate to the same level. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow. The Exchange believes that the proposal reflects this competitive environment.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

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 Act.¹⁷ 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 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
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MIAX-2014-35 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.

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

All submissions should refer to File Number SR-MIAX-2014-35. 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; 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-MIAX-2014-35 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.¹⁸

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Deputy Secretary

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¹⁸ 17 CFR 200.30-3(a)(12).