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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-76491; File No. SR-MIAX-2015-64)

November 20, 2015

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange LLC to Amend Exchange Rule 519

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 November 13, 2015, 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 the Substance of the Proposed Rule Change

The Exchange proposes to amend Exchange Rule 519, MIAX Order Monitor (“MOM”) to codify the Open Order and Open Contract Protection features included in MOM.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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.

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 Rule 519, MIAX Order Monitor, to provide details regarding Open Order and Open Contract protections. The proposal codifies existing functionality applicable to orders on the Exchange. The Exchange is also proposing a clarifying amendment to current Rule 519(b) to provide consistency in that Rule with the proposed new rules.

The MOM is a risk management feature of the Exchange's System³ that prevents certain orders from executing or being placed on the Book at prices outside pre-set standard limits⁴ and if the size of the order exceeds the order size protection designated by the Member submitting the order.⁵

Additionally, the System currently rejects any orders that exceed the maximum number of open orders held in the System on behalf of a particular Member (the "Open Order Protection"). The System also currently rejects any orders that cause the number of open contracts represented by orders held in the System on behalf of a particular Member (the "Open Contract Protection") to exceed a specified maximum number of contracts. For each of these protections, the maximum number (of open orders and open contracts) is designated (or may be

³ The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

⁴ See Exchange Rule 519(a).

⁵ See Exchange Rule 519(b).

disabled) by the Member. The Exchange is proposing to codify the Open Order and Open Contract Protections in Rule 519.

Currently, Rule 519 only provides details regarding the System's Order Price Protections and Order Size Protections. However, in addition to order protections based on price and order size, the System also employs order protections based on the number of open orders held in the System and on the number of contracts represented by open orders held in the System. The Exchange now proposes to codify these existing order protections into Rule 519.

Members may designate or disable the Open Order and/or the Open Contract Protections on a firm wide basis. If the maximum number of open orders or contracts is not designated by the Member, the Exchange will set a maximum number of open orders or contracts on behalf of the Member by default. The default maximum number of open orders and open contracts are determined by the Exchange and announced to Members through a Regulatory Circular.⁶ The Open Order and Open Contract Protections provide market participants the flexibility to designate the level of protection they need to help prevent the potential submission of a number of orders and/or a number of contracts to the Exchange that would cause them to be at unintended risk levels.

The Exchange is also proposing a clarifying amendment to current Rule 519(b), Order Size Protections, to state that if the maximum size of orders is not designated by the Member, the Exchange will set a maximum size of orders on behalf of the Member by default. This is consistent with proposed new Rules 519(c) and (d), and is intended to provide clarity, consistency and ease of reference regarding MOM protections available to users of the System.

⁶ The Exchange notes that the current default maximum number of open orders is 30,000 and the default number of open contracts is 1,000,000.

The proposed rule change is designed to protect investors and the public interest by codifying the protections that apply to orders that help market participants avoid the potential submission of orders that would place them at unwanted risk on the Exchange. In addition, the Exchange believes that the proposed rule change removes impediments to and perfects the mechanisms of a free and open market and a national market system and, in general, protects investors and the public interest by helping to eliminate potential confusion on behalf of market participants by clearly stating the System's functionality with regard to orders that trigger Open Order and Open Contract Protections.

2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act⁸ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The proposed rule change is designed to protect investors and the public interest by codifying the Open Order and Open Contract Protections that help market participants avoid the potential submission of a number of orders and/or a number of contracts to the Exchange that would cause them to be at unintended risk levels.

In addition, the Exchange believes that the proposed amendment removes impediments to and perfects the mechanisms of a free and open market and a national market system and, in

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

general, protects investors and the public interest by helping to eliminate potential confusion on behalf of market participants by clearly stating the System's functionality with regard to Open Order and Open Contract Protections.

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 that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes the proposed changes will not impose any burden on intra-market competition because it applies to all MIAX participants equally. In addition, the Exchange does not believe the proposal will impose any burden on inter-market competition as the proposal is intended to protect investors by providing further transparency regarding the MOM feature.

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

Because the foregoing 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 after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act⁹ and Rule 19b-4(f)(6)¹⁰ thereunder.

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

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-2015-64 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-MIAX-2015-64. 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 such 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-2015-64, 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.¹¹

Robert W. Errett
Deputy Secretary

¹¹ 17 CFR 200.30-3(a)(12).

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