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SECURITIES AND EXCHANGE COMMISSION
[Release No. 34-79685; File No. SR-MIAX-2016-48]

Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Its Fee Schedule to Modify the Exchange's Other Market Participant Transaction Fees
December 23, 2016.

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 December 15, 2016, Miami International Securities Exchange LLC (“MIAX Options” 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 the MIAX Options Fee Schedule (the “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

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Fee Schedule to increase the fees charged to Exchange Members³ for simple and complex order executions in standard options classes in the Penny Pilot Program⁴ (“Penny Pilot”) for Firms.⁵ Specifically, the Exchange proposes to increase the fees charged to Members for simple and complex order executions in standard options in the Penny Pilot for Firms from \$0.45 to \$0.47 per contract executed. The Exchange believes that this proposed fee increase is reasonable, equitable and not unfairly discriminatory because it makes the transaction fee consistent among the Exchange’s market participants who are not Priority Customers⁶ or MIAX Options Market Makers⁷ by charging all such participants

³ The term “Member” means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

⁴ See Securities Exchange Act Release Nos. 78080 (June 15, 2016), 81 FR 40377 (June 21, 2016)(SR-MIAX-2016-16); 79432 (November 30,2016), 81 FR 87990 (December 6, 2016)(SR-MIAX-2016-45).

⁵ A “Firm” transaction fee is assessed on a MIAX Options Electronic Exchange Member “EEM” that enters an order that is executed for an account identified by the EEM for clearing in the Options Clearing Corporation (“OCC”) “Firm” range. See Fee Schedule, Section 1)a)ii.

⁶ The term “Priority Customer” means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). A “Priority Customer Order” means an order for the account of a Priority Customer. See Exchange Rule 100.

⁷ The term “Market Makers” refers to Lead Market Makers (“LMMs”), Primary Lead Market Makers (“PLMMs”), and Registered Market Makers (“RMMs”) collectively. See Exchange Rule 100. A Directed Order Lead Market Maker (“DLMM”) and Directed Primary Lead Market Maker (“DPLMM”) is a party to a transaction being allocated to

the same rate for transactions for simple and complex order executions in standard options in the Penny Pilot. The Exchange has historically kept the Firm transaction fee at a lower rate than the transaction fee for other market participants who are not Priority Customers or MIAX Options Market Makers, primarily as a competitive measure to attract Firm order flow. The Exchange believes that this measure is no longer necessary, and thus believes it is appropriate to increase the Firm transaction fee rate to the same rate charged for other market participants who are not Priority Customers or MIAX Options Market Makers. This proposed change brings the Exchange's Firm transaction fee in line and comparable with similar fees of other competing options exchanges.⁸

In addition, the Exchange proposes to continue to offer Members the opportunity to reduce their Firm transaction fees by \$0.02 per executed contract resulting from simple order executions in standard options in the Penny Pilot.⁹ In order to accomplish this reduction, any Member, including any Affiliate¹⁰ of the Member, that qualifies for the Priority Customer Rebate Program ("PCR") volume tiers 3 or higher,¹¹ will be assessed a reduced Firm transaction fee of

the LMM or PLMM and is the result of an order that has been directed to the LMM or PLMM. See Fee Schedule note 2.

⁸ See, for example, NASDAQ PHLX LLC Pricing Schedule, Section II.

⁹ See Securities Exchange Release Nos. 72988 (September 4, 2014), 79 FR 53808 (September 10, 2014) (SR-MIAX-2014-46); 72989 (September 4, 2014), 79 FR 53792 (September 10, 2014) (SR-MIAX-2014-47); 74478 (March 11, 2015), 80 FR 13938 (March 17, 2015) (SR-MIAX-2015-16); 76674 (December 17, 2015), 80 FR 79986 (December 23, 2015) (SR-MIAX-2015-70); 79157 (October 28, 2016), 81 FR 75885 (November 1, 2016) (SR-MIAX-2016-38).

¹⁰ For purposes of the MIAX Options Fee Schedule, the term "Affiliate" means an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A ("Affiliate"). See Fee Schedule note 1.

¹¹ Under the PCR, a Member receives certain transaction fee discounts provided the Member meets certain percentage thresholds in a month as described in the PCR table. See Fee Schedule, Section (1)(a)(iii).

\$0.45 per contract resulting from simple order executions in standard options in the Penny Pilot. The Exchange believes that this continuing incentive will encourage Members to send their Firm order flow to the Exchange.

The Exchange proposes to implement the proposed change to the Fee Schedule effective as of January 1, 2017.

2. Statutory Basis

The Exchange proposes to amend its Fee Schedule to increase the fees charged to Exchange Members¹² for simple and complex order executions in standard options classes in the Penny Pilot Program¹³ (“Penny Pilot”) for Firms.¹⁴ Specifically, the Exchange proposes to increase the fees charged to Members for simple and complex order executions in standard options in the Penny Pilot for Firms from \$0.45 to \$0.47 per contract executed. The Exchange believes that this proposed fee increase is reasonable, equitable and not unfairly discriminatory because it makes the transaction fee consistent among the Exchange’s market participants who are not Priority Customers¹⁵ or MIAX Options Market Makers¹⁶ by charging all such

¹² The term “Member” means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

¹³ See Securities Exchange Act Release Nos. 78080 (June 15, 2016), 81 FR 40377 (June 21, 2016)(SR-MIAX-2016-16); 79432 (November 30,2016), 81 FR 87990 (December 6, 2016)(SR-MIAX-2016-45).

¹⁴ A “Firm” transaction fee is assessed on a MIAX Options Electronic Exchange Member “EEM” that enters an order that is executed for an account identified by the EEM for clearing in the Options Clearing Corporation (“OCC”) “Firm” range. See Fee Schedule, Section 1)a)ii.

¹⁵ The term “Priority Customer” means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). A “Priority Customer Order” means an order for the account of a Priority Customer. See Exchange Rule 100.

¹⁶ The term “Market Makers” refers to Lead Market Makers (“LMMs”), Primary Lead

participants the same rate for transactions for simple and complex order executions in standard options in the Penny Pilot. The Exchange has historically kept the Firm transaction fee at a lower rate than the transaction fee for other market participants who are not Priority Customers or MIAX Options Market Makers, primarily as a competitive measure to attract Firm order flow. The Exchange believes that this measure is no longer necessary, and thus believes it is appropriate to increase the Firm transaction fee rate to the same rate charged for other market participants who are not Priority Customers or MIAX Options Market Makers. This proposed change brings the Exchange's Firm transaction fee in line and comparable with similar fees of other competing options exchanges.¹⁷

In addition, the Exchange proposes to continue to offer Members the opportunity to reduce their Firm transaction fees by \$0.02 per executed contract resulting from simple order executions in standard options in the Penny Pilot.¹⁸ In order to accomplish this reduction, any Member, including any Affiliate¹⁹ of the Member, that qualifies for the Priority Customer Rebate

Market Makers ("PLMMs"), and Registered Market Makers ("RMMs") collectively. See Exchange Rule 100. A Directed Order Lead Market Maker ("DLMM") and Directed Primary Lead Market Maker ("DPLMM") is a party to a transaction being allocated to the LMM or PLMM and is the result of an order that has been directed to the LMM or PLMM. See Fee Schedule note 2.

¹⁷ See, for example, NASDAQ PHLX LLC Pricing Schedule, Section II.

¹⁸ See Securities Exchange Release Nos. 72988 (September 4, 2014), 79 FR 53808 (September 10, 2014) (SR-MIAX-2014-46); 72989 (September 4, 2014), 79 FR 53792 (September 10, 2014) (SR-MIAX-2014-47); 74478 (March 11, 2015), 80 FR 13938 (March 17, 2015) (SR-MIAX-2015-16); 76674 (December 17, 2015), 80 FR 79986 (December 23, 2015) (SR-MIAX-2015-70); 79157 (October 28, 2016), 81 FR 75885 (November 1, 2016) (SR-MIAX-2016-38).

¹⁹ For purposes of the MIAX Options Fee Schedule, the term "Affiliate" means an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A ("Affiliate"). See Fee Schedule note 1.

Program (“PCRP”) volume tiers 3 or higher,²⁰ will be assessed a reduced Firm transaction fee of \$0.45 per contract resulting from simple order executions in standard options in the Penny Pilot. The Exchange believes that this continuing incentive will encourage Members to send their Firm order flow to the Exchange.

The Exchange proposes to implement the proposed change to the Fee Schedule effective as of January 1, 2017.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposal is similar to the transaction fees found on other options exchanges; therefore, the Exchange believes the proposal is consistent with robust competition by increasing the intermarket competition for order flow from market participants. The proposal aligns the fees of market participants who are not Priority Customers or MIAX Options Market Makers on the Exchange, as well as aligns such fees assessable to Members to those charged by other exchanges for the same market participant type. Enhanced market quality and increased transaction volume that results from the anticipated increase in order flow directed to the Exchange will benefit all market participants and improve competition on the Exchange.

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

²⁰ Under the PCRP, a Member receives certain transaction fee discounts provided the Member meets certain percentage thresholds in a month as described in the PCRP table. See Fee Schedule, Section (1)(a)(iii).

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,²¹ and Rule 19b-4(f)(2)²² thereunder. 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-2016-48 on the subject line.

²¹ 15 U.S.C. 78s(b)(3)(A)(ii).

²² 17 CFR 240.19b-4(f)(2).

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-2016-48. 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-2016-48, 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.²³

²³ 17 CFR 200.30-3(a)(12).

Robert W. Errett
Deputy Secretary

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