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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-85808; File No. SR-MIAX-2019-22)

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

May 8, 2019

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 April 29, 2019, 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”) to adopt certain SPIKES transaction fees.

The text of the proposed rule change is available on the Exchange’s website at <http://www.miaxoptions.com/rule-filings>, 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 adopted its initial SPIKES transaction fees on February 15, 2019.³ The Exchange now proposes to amend the Fee Schedule to adopt certain SPIKES transaction fees. Specifically, the Exchange proposes to adopt new fees for SPIKES Combinations⁴ in cPRIME,⁵ and to make minor non-substantive, technical changes to the Fee Schedule.

SPIKES Combinations

The Exchange is proposing to adopt a new fee table for SPIKES Combinations executed in cPRIME Auctions. As proposed, the Exchange will charge a SPIKES Combination executed in a cPRIME Auction on a per contract per leg basis, based on Origin. All Origins will be charged the same rate of \$0.01 for Initiating, Contra, and Responder (with the exception of an Initiating Priority Customer which will be assessed a charge of \$0.00) per contract per leg. As proposed, all Origins (Priority Customer, Market Maker, Non-MIAX Market Maker, Broker-Dealer, Firm Proprietary, and Public Customer that is Not a Priority Customer) will receive a \$0.01 Break-up Credit.

³ See Securities Exchange Release No. 85283 (March 11, 2019), 84 FR 9567 (March 15, 2019) (SR-MIAX-2019-11). (The Exchange initially filed the proposal on February 15, 2019 (SR-MIAX-2019-04). That filing was withdrawn and replaced with (SR-MIAX-2019-11)).

⁴ A "Combination" is a purchase (sale) of a SPIKES call option and the sale (purchase) of a SPIKES put option having the same expiration date and strike price.

⁵ cPRIME is the process by which a Member may electronically submit a "cPRIME Order" (as defined in Exchange Rule 518(b)(7)) it represents as agent (a "cPRIME Agency Order") against principal or solicited interest for execution (a "cPRIME Auction"). See Interpretation and Policy .12 of Exchange Rule 515A.

As proposed, the Combinations in cPRIME table will be as follows:

Combinations in cPRIME				
Origin	Initiating	Contra	Responder	Break-up
<i>Priority Customer</i>	\$0.00	\$0.01	\$0.01	(\$0.01)
<i>Market Maker</i>	\$0.01	\$0.01	\$0.01	(\$0.01)
<i>Non-MIAX Market Maker</i>	\$0.01	\$0.01	\$0.01	(\$0.01)
<i>Broker-Dealer</i>	\$0.01	\$0.01	\$0.01	(\$0.01)
<i>Firm Proprietary</i>	\$0.01	\$0.01	\$0.01	(\$0.01)
<i>Public Customer that is Not a Priority Customer</i>	\$0.01	\$0.01	\$0.01	(\$0.01)

The Exchange proposes to make a minor non-substantive change to the Simple and Complex Fees table to edit footnote “+” by adding the sentence, “The Complex Large Trade Discount does not apply to SPIKES Combination Orders,” to the end of the footnote.

As proposed, the Simple and Complex Fees table will be as follows:

Simple and Complex Fees[#]						
Origin	Simple /Complex[¥] Maker	Simple /Complex[¥] Taker	Simple Opening	Combination^{~!}	Simple Large Trade Discount Threshold⁺	Complex Large Trade Discount Threshold⁺
<i>Priority Customer</i>	\$0.00	\$0.00	\$0.00	\$0.00	0	0
<i>Market Maker</i>	\$0.00	\$0.20*	\$0.15	\$0.01	First 10,000 contracts	First 25,000 contracts
<i>Non-MIAX Market Maker</i>	\$0.10	\$0.25	\$0.15	\$0.01	First 10,000 contracts	First 25,000 contracts
<i>Broker-Dealer</i>	\$0.10	\$0.25	\$0.15	\$0.01	First 10,000 contracts	First 25,000 contracts

<i>Firm Proprietary</i>	\$0.00	\$0.20*	\$0.15	\$0.01	First 10,000 contracts	First 25,000 contracts
<i>Public Customer that is Not a Priority Customer</i>	\$0.10	\$0.25	\$0.15	\$0.01	First 10,000 contracts	First 25,000 contracts

* Taker fees for options with a premium price of \$0.10 or less will be charged \$0.05 per contract.

~ A “SPIKES Combination” is a purchase (sale) of a SPIKES call option and sale (purchase) of a SPIKES put option having the same expiration date and strike price.

! The SPIKES Combination portion of a SPIKES Combination Order will be charged at the Combination rate and other legs will be charged at the Complex rate. All fees are per contract per leg.

+ Tied to Single Order/Quote ID. For any single order/quote, no fee shall apply to the number of contracts executed above the Simple or Complex Large Trade Discount Threshold. This discount does not apply to Priority Customer orders, Maker orders, SPIKES Opening orders, and the Surcharge. For any SPIKES Combination Order, no fee shall apply to the number of contracts executed above the Complex Large Trade Discount Threshold. The Complex Large Trade Discount does not apply to SPIKES Combination Orders.

¥ For quotes/orders in a Complex Auction, Priority Customer Complex Orders will receive the Complex Maker rate. Origins that are not a Priority Customer will be charged the applicable Complex Taker rate.

The Exchange also proposes to make a minor non-substantive change to the PRIME⁶ and cPRIME Fees table to edit footnote “◇” by adding the sentence, “The cPRIME Large Trade Discount does not apply to SPIKES Combination Orders,” to the end of the footnote.

Additionally, the Exchange proposes to add explanatory text below the table that explains how fees and credits are charged and assessed for SPIKES in PRIME and for SPIKES in cPRIME.

⁶ PRIME is a process by which a Member may electronically submit for execution (“Auction”) an order it represents as agent (“Agency Order”) against principal interest, and/or an Agency Order against solicited interest. See Exchange Rule 515A(a).

The Exchange notes that this text is substantially similar to existing text in the current Fee Schedule for PRIME⁷ and cPRIME⁸ for multi-listed symbols.

As proposed, the PRIME and cPRIME Fees table will be as follows:

PRIME and cPRIME Fees[#]						
Origin	Initiating	Contra	Responder	Break-up	PRIME Large Trade Discount Threshold[^]	cPRIME Large Trade Discount Threshold[◇]
<i>Priority Customer</i>	\$0.00	\$0.20	\$0.25	(\$0.15)	First 10,000 contracts	First 25,000 contracts
<i>Market Maker</i>	\$0.10	\$0.20	\$0.25	(\$0.15)	First 10,000 contracts	First 25,000 contracts
<i>Non-MIAX Market Maker</i>	\$0.10	\$0.20	\$0.25	(\$0.15)	First 10,000 contracts	First 25,000 contracts
<i>Broker-Dealer</i>	\$0.10	\$0.20	\$0.25	(\$0.15)	First 10,000 contracts	First 25,000 contracts
<i>Firm Proprietary</i>	\$0.10	\$0.20	\$0.25	(\$0.15)	First 10,000 contracts	First 25,000 contracts
<i>Public Customer that is Not a Priority Customer</i>	\$0.10	\$0.20	\$0.25	(\$0.15)	First 10,000 contracts	First 25,000 contracts

An Index License Surcharge (“Surcharge”) of \$0.075 will apply to any contract that is executed by an Origin except Priority Customer. The Surcharge applies per contract side per leg. The Surcharge will be waived for the “Waiver Period” which, for purposes of this Section 1)a)xi) of the Fee Schedule, means the period of time from the launch of trading of SPIKES options until such time that the Exchange submits a filing to terminate the Waiver Period. The Exchange will issue a Regulatory Circular announcing the end of the Waiver Period at least fifteen (15) days prior to the termination of the Waiver Period and effective date of such Surcharge.

[^] The transaction fee for SPIKES PRIME will be capped at 10,000 contracts from a single order, for the Agency Side and Contra Side independently. Contracts greater than the

⁷ See MIAX Options Fee Schedule 1)a)v) MIAX Price Improvement Mechanism (“PRIME”) Fees.

⁸ See MIAX Options Fee Schedule 1)a)vi) MIAX Complex Price Improvement Mechanism (“cPRIME”) Fees.

threshold will not be charged the transaction fee but will continue to be charged the Surcharge. Responder fees and Break-up Credits will not be capped.

- ◇ The transaction fee for SPIKES cPRIME will be capped at 25,000 contracts that are traded per strategy from a single order, for the Agency Side and for the Contra Side independently. Contracts greater than the threshold will not be charged the transaction fee but will continue to be charged the Surcharge. Responder fees and Break-up Credits will not be capped. The cPRIME Large Trade Discount does not apply to SPIKES Combination Orders.

For SPIKES in PRIME, MIAx will assess the Responder to PRIME Auction Fee to: (i) a PRIME AOC Response that executes against a PRIME Order, and (ii) a PRIME Participating Quote or Order that executes against a PRIME Order. MIAx will apply the PRIME Break-up credit to the EEM that submitted the PRIME Order for agency contracts that are submitted to the PRIME Auction that trade with a PRIME AOC Response or a PRIME Participating Quote or Order that trades with the PRIME Order.

For SPIKES in cPRIME, all fees and credits are per contract per leg for Complex and Combination volume. Further, MIAx will assess the Responder to cPRIME Auction Fee to: (i) a cPRIME AOC Response that executes against a cPRIME Order, and (ii) a cPRIME Participating Quote or Order that executes against a cPRIME Order. MIAx will apply the cPRIME Break-up credit to the EEM that submitted the cPRIME Order for agency contracts that are submitted to the cPRIME Auction that trade with a cPRIME AOC Response or a cPRIME Participating Quote or Order that trades with the cPRIME Order.

The proposed rule change is to become operative May 1, 2019.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act⁹ in general, and furthers the objectives of Section 6(b)(4) of the Act¹⁰ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among Exchange Members¹¹ and issuers and other persons using its facilities. The

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(4).

¹¹ 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.

Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act¹² in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customer, issuers, brokers and dealers.

SPIKES Combinations in cPRIME

The Exchange believes that the proposed fee changes for SPIKES Combinations in cPRIME are consistent with Section 6(b)(4) of the Act in that they are reasonable, equitable, and not unfairly discriminatory. The proposed fee changes are reasonably designed as they align to the fees charged for SPIKES Combination orders under the Simple and Complex Fees table.¹³ Under the Simple and Complex Fees table all Market Maker, Non-MIAX Market Maker, Broker-Dealer, Firm Proprietary, and Public Customer that is Not a Priority Customer Origins are charged the same amount, \$0.01 (Priority Customers are charged a fee of \$0.00). The exchanges in general have historically aimed to improve markets for investors and develop various features within market structure for customer benefit. The Exchange assesses Priority Customers lower or no transaction fees because Priority Customer order flow enhances liquidity on the Exchange for the benefit of all market participants. Priority Customer liquidity benefits all market participants by providing more trading opportunities, which attracts Market Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants.

Similarly, under the Combinations in cPRIME Fee table all Market Maker, Non-MIAX Market Maker, Broker-Dealer, Firm Proprietary, and Public Customer that is Not a Priority

¹² 15 U.S.C. 78f(b)(5).

¹³ See MIAX Options Exchange Fee Schedule 1)a)xi).

Customer, Initiating Origins are charged the same amount, \$0.01 (Initiating Priority Customers are charged a fee of \$0.00). The Exchange believes that its fees are equitable and not unfairly discriminatory as all Contra and Responder Origin types (Priority Customer included) will be charged a fee of \$0.01, and all Origin types will receive the same Break-up Credit of \$0.01.

The Exchange also believes that aligning the Combinations in cPRIME Fee table with the fees charged for Combination orders on the Exchange unifies the Exchange's fee structure for SPIKES Combination Orders, which benefits investors as it clarifies the Exchange's fees and reduces the risk of confusion.

The proposed SPIKES Combination in cPRIME fees are reasonable, equitable, and not unfairly discriminatory because they will apply similarly to Priority Customer orders, Market Maker orders, Non-MIAX Market Maker orders, Broker Dealer orders, Firm Proprietary orders, and Public Customers that are not Priority Customers orders, in each respective category for cPRIME orders. Initiating Priority Customers orders are provided a discount as Priority Customer liquidity benefits all market participants by providing more trading opportunities, which attracts Market Makers. Contra, Responder, and Break-up credits are applied uniformly to each Origin; Priority Customer, Market Maker, Non-MIAX Market Maker, Broker-Dealer, Firm Proprietary, and Public Customer that is Not a Priority Customer. All similarly situated categories of participants are subject to the same transaction fee and credit schedule, and access to the Exchange is offered on terms that are not unfairly discriminatory.

The Exchange believes adding a footnote to the Simple and Complex Fees table stating that the Complex Large Trade Discount does not apply to SPIKES Combination Orders is reasonable, equitable, and not unfairly discriminatory as SPIKES Combination Orders are charged a substantially reduced fee as indicated on the Simple and Complex Fees table and do

not need the benefit of the Complex Large Trade Discount as SPIKES Combination Orders are already substantially discounted.¹⁴ Additionally, the Exchange believes adding a footnote to the PRIME and cPRIME Fees table stating that the cPRIME Large Trade Discount does not apply to SPIKES Combination Orders is reasonable, equitable, and not unfairly discriminatory as SPIKES Combination Orders are charged a substantially reduced fee as indicated on the proposed Combinations in cPRIME table and do not need the benefit of the cPRIME Large Trade Discount as SPIKES Combination Orders are already substantially discounted. The Exchange believes providing this change benefits investors as it clarifies the Exchange's fees and reduces the risk of confusion.

The non-substantive technical change proposed to the explanatory notes of the PRIME and cPRIME Fees table to add a description of how PRIME and cPRIME fees will be applied to SPIKES Orders promotes just and equitable principles of trade, removes impediments to and perfects the mechanism of a free and open market and a national market system, and, in general protects investors and the public interest by clarifying how PRIME and cPRIME fees and credits will be applied similarly to multi-listed symbols. Additionally, adding the explanatory text below the PRIME and cPRIME Fees table benefits investors as it promotes uniformity within the Exchange's Fee Schedule and clarifies the application of PRIME and cPRIME fees for SPIKES orders and other orders on the Exchange.

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 Exchange believes that the proposed change will enhance the competitiveness of the Exchange

¹⁴ See MIAX Options Fee Schedule 1(a)(xi).

relative to other exchanges that offer their own singly-listed products. The Exchange believes that the proposed fees and rebates for transactions in SPIKES index options are not going to have an impact on intra-market competition based on the total cost for participants to transact in such order types versus the cost for participants to transact in other order types available for trading on the Exchange.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues and competing products 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 to the Exchange. The Exchange believes that the proposed rule change reflects this competitive environment because it is adjusting its fees in a manner that encourages market participants to provide liquidity in SPIKES index options.

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,¹⁵ and Rule 19b-4(f)(2)¹⁶ 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

¹⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁶ 17 CFR 240.19b-4(f)(2).

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-2019-22 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-2019-22. 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 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 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MIAX-2019-22 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

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

Eduardo A. Aleman,
Deputy Secretary.

¹⁷ 17 CFR 200.30-3(a)(12).

