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SECURITIES AND EXCHANGE COMMISSION
[Release No. 34-89085; File No. SR-MIAX-2020-16]

Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Exchange Rule 518, Complex Orders

June 17, 2020.

Pursuant to 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 12, 2020, Miami International Securities Exchange, LLC (“MIAX” or the “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 Exchange Rule 518, Complex Orders.

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 proposes to amend Exchange Rule 518, Complex Orders, to adopt a new order type, Complex Attributable Order.

Currently, the Exchange offers an Attributable Order³ in its simple market.⁴ Current Exchange Rule 516(e) states that an Attributable Order is a market⁵ or limit order⁶ which displays the user firm ID for purposes of trading on the Exchange. Use of Attributable Orders is voluntary. Attributable Orders entered into the Exchange System⁷ will be available for execution but may not display the user firm ID for all Exchange processes. The Exchange will issue a Regulatory Circular specifying the Exchange processes and the class(es) of securities for which the Attributable Order type shall be available.⁸ Currently, an Attributable Order in the simple market will display the Executing Broker MPID⁹ when it triggers either a liquidity refresh

³ See Exchange Rule 516(e).

⁴ The Exchange has a Simple Order Book, which is the Exchange’s regular electronic book of orders and quotes. See Exchange Rule 518(a)(15). The Exchange also has a Strategy Order book, which is the Exchange’s electronic book of complex orders and complex quotes. See Exchange Rule 518(A)(17).

⁵ A market order is an order to buy or sell a stated number of option contracts at the best price available at the time of execution. See Exchange Rule 516(a).

⁶ A limit order is an order to buy or sell a stated number of option contracts at a specified price or better. See Exchange Rule 516(b).

⁷ The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

⁸ See Exchange Rule 516(e).

⁹ An MPID is a Market Participant Identifier used by the Exchange.

pause,¹⁰ or a Route Timer.¹¹ Attributable Orders were made available on the Exchange on June 17, 2013, for the aforementioned liquidity seeking events.¹² The Attributable Order type is available for all option classes and can be activated on an order-by-order basis with the default set to off.¹³

The Exchange now proposes to adopt new subparagraph (8) to Exchange Rule 518(b) which will similarly provide that a Complex Attributable Order is a market or limit order which displays the user firm ID for purposes of trading on the Exchange. Use of Complex Attributable Orders is voluntary. Complex Attributable Orders entered into the Exchange System will be available for execution but may not display the user firm ID for all Exchange processes. Complex Attributable Orders will be used similarly for liquidity seeking events that occur on the Exchange's Strategy Book, such as Complex Auctions. If enabled, the MPID will be displayed on the MIAX Order Feed ("MOR") and the MIAX Administrator Information Subscriber ("AIS") Feed. The Exchange will issue a Regulatory Circular specifying the Exchange processes and the class(es) of securities for which the Complex Attributable Order type shall be available.¹⁴

¹⁰ See Exchange Rule 515(c)(3).

¹¹ See Exchange Rule 529(b)(2).

¹² See MIAX Options Regulatory Circular 2013-33, Attributable Order (June 13, 2013) available at https://www.miaxoptions.com/sites/default/files/circular-files/MIAX_RC_2013_33.pdf.

¹³ Id.

¹⁴ The ability to display information pertaining to a single order depends upon the Exchange's ability to broadcast that information to its members. This is currently accomplished through the Exchange's market data products, which for example includes the Administrative Information Subscriber Feed ("AIS"). Thus, the functionality of a Complex Attributable Order is linked to what is technologically feasible through the Exchange's market data products. The definition of a Complex Attributable Order will acknowledge this relationship and allow the functionality of the Complex Attributable Order type to develop and be deployed correspondingly with technical advances related to its market data products. In its definition of a Complex Attributable Order the Exchange proposes to state that, "Complex Attributable Orders entered into the Exchange

The Exchange will announce the implementation date of the proposed rule change by Regulatory Circular to be published no later than 90 days following the operative date of the proposed rule. The implementation date will be no later than 90 days following the issuance of the Regulatory Circular.

2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act¹⁵ in general, and furthers the objectives of Section 6(b)(5) of the Act¹⁶ 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 regulating, clearing, settling, processing information with respect to, and 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 Exchange believes its proposal to adopt a Complex Attributable Order promotes just and equitable principles of trade, and removes impediments to and perfects the mechanisms of a free and open market system and, in general, protects investors and the public interest by introducing an order type for use on the complex market that is currently available for use on the Exchange's simple market. Use of Complex Attributable Orders is voluntary and provides

System will be available for execution but may not display the user firm ID for all Exchange processes.” This will serve to put MIAX members on notice that the functionality of a Complex Attributable Order to display the user firm ID, as it continually develops, may not be available during all Exchange processes.

¹⁵ 15 U.S.C. 78f(b).

¹⁶ 15 U.S.C. 78f(b)(5).

Members¹⁷ of the Exchange similar order types for use on both the simple market and the complex market for use during liquidity seeking events to facilitate executions.

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.

The Exchange does not believe that the proposed rule change to adopt a Complex Attributable Order will impose any burden on inter-market competition but rather may increase competition among exchanges.¹⁸ The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues who offer similar functionality. The Exchange believes the proposed rule change will enhance competition among the various markets for complex order execution, potentially resulting in more active complex order trading on all exchanges.

The Exchange does not believe that the proposed rule change to adopt a Complex Attributable Order will impose any burden on intra-market competition as use of a Complex Attributable Order is voluntary and all Members of the Exchange have the option to use a Complex Attributable Order when submitting a complex order to the Exchange.

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.

¹⁷ The term “Member” means an individual or organization approved to exercise the trading rights associate with a Trading Permit. Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

¹⁸ The Nasdaq ISE Exchange and Nasdaq MRX Exchange currently offer Attributable Complex Orders. See Nasdaq ISE Exchange, Options 3, Section 14, Complex Orders (b)(4); and Nasdaq MRX Exchange, Options 3, Section 14, Complex Orders (b)(4).

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 Act¹⁹ and Rule 19b-4(f)(6)²⁰ 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](mailto:to-rule-comments@sec.gov). Please include File Number SR-

MIAX-2020-16 on the subject line

¹⁹ 15 U.S.C. 78s(b)(3)(A).

²⁰ 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.

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-2020-16. 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. 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-2020-16 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.²¹

J. Matthew DeLesDernier,
Assistant Secretary.

²¹ 17 CFR 200.30-3(a)(12).

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