

Required fields are shown with yellow backgrounds and asterisks.

Filing by MIAX Emerald, LLC
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
Date Expires * <input type="text"/>			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Amend Rule 510, Minimum Price Variations and Minimum Trading Increments.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Michael Last Name * Slade
 Title * Counsel
 E-mail * mslade@miami-holdings.com
 Telephone * (609) 897-8499 Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 03/22/2019 Senior Vice President and Deputy General Counsel
 By Joseph Ferraro

(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) MIAX Emerald, LLC (“MIAX Emerald” or “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² proposes to amend Rule 510, Minimum Price Variations and Minimum Trading Increments, to specify that replacement classes may be added to the Penny Pilot Program on a quarterly basis, without altering the expiration date of the Penny Pilot Program, which is June 30, 2019.³

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Chief Executive Officer of the Exchange pursuant to authority delegated by the MIAX Emerald Board of Directors on January 31, 2019. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the proposed rule change.

Questions and comments on the proposed rule change may be directed to Michael Slade, Counsel, at (609) 897-8499.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 85225 (March 1, 2019), 84 FR 8353 (March 7, 2019) (SR-EMERALD-2019-06).

3. **Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

a. Purpose

The Exchange proposes to amend Rule 510, Minimum Price Variations and Minimum Trading Increments, Interpretations and Policies .01, regarding the Penny Pilot Program, to specify that replacement classes may be added to the Penny Pilot Program on a quarterly basis, without altering the expiration date of the Penny Pilot Program, which is June 30, 2019.

The Exchange recently filed to extend the Penny Pilot Program until June 30, 2019 (from December 31, 2018) and also updated the rule text to delete the sentence regarding replacement classes being added to the Penny Pilot Program on the second trading day following July 1, 2018. At that time, the Exchange noted that the deletion would create a difference between the rule text of MIAX Emerald and that of the Exchange's affiliates, Miami International Securities Exchange, LLC and MIAX PEARL, LLC, however, in practice there would be no difference as the second trading day following January 1, 2019 had already passed.⁴ The Exchange now proposes to adopt a new sentence to the rule text about when replacement classes may be added to the Penny Pilot Program. Specifically, the Exchange proposes to add the following sentence after the last sentence of Exchange Rule 510, Interpretations and Policies .01: "The replacement classes may be added to the penny pilot on the second trading day in the first month of each quarter."

Exchange Rule 510 currently authorizes the Exchange to replace any option classes in the Penny Pilot Program that have been delisted with the next most actively traded multiply listed option classes that are not yet included in the Penny Pilot Program, based on trading

⁴ See id.

activity in the previous six months.⁵ The Exchange now proposes to modify Rule 510, Minimum Price Variations and Minimum Trading Increments, Interpretations and Policies .01, to allow the Exchange to add replacement classes (for Penny Pilot Program classes that have been delisted) on a quarterly basis. With this proposal, the Exchange would add eligible replacement classes in April, July, October of 2019, and then in January of 2020 and each subsequent quarter. The Exchange believes this change would allow the Exchange to update option classes eligible for the Penny Pilot Program (by replacing delisted classes) on a quarterly basis and would enable further analysis of the Penny Pilot Program and a determination of how the Penny Pilot Program should be structured in the future.

As is the case today, the Exchange will determine replacement classes based on trading activity in the previous six months (the “six month lookback”) but will not use the month immediately preceding the addition of a replacement to the Penny Pilot Program. Thus, a replacement class to be added on the second trading day following April 1, 2019 would be identified based on The Option Clearing Corporation’s trading volume data from September 1, 2018 through February 28, 2019.⁶ The Exchange believes the six month lookback is appropriate because this time period would help reduce the impact of unusual trading activity as a result of unique market events, such as a corporate action (i.e., it would result in a more reliable measure of average daily trading volume than would a shorter period).

This filing does not propose any substantive changes to the Penny Pilot Program: all classes currently participating will remain the same and all minimum increments will remain unchanged. The Exchange believes the benefits to public customers and other market participants

⁵ See Exchange Rule 510, Interpretations and Policies .01.

⁶ Exchange Rule 510, Interpretations and Policies .01 continues to obligate the Exchange to announce the replacement classes by a Listings Alert.

who will be able to express their true prices to buy and sell options have been demonstrated to outweigh the increase in quote traffic. In addition, the proposed change would align the Exchange with competing options exchanges that have proposed rules consistent with this proposal.⁷

b. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act⁹ 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.

Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁰ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. In particular, the Exchange believes the proposal to allow the addition of replacement classes to the Penny Pilot Program on a quarterly basis would result in a more current list of Penny Pilot Program-eligible classes and would enable further analysis of the Penny Pilot Program, including for a determination of how

⁷ See Securities Exchange Act Release Nos. 85348 (March 18, 2019), 84 FR 10860 (March 22, 2019)(SR-NYSEAMER-2019-05); 85363 (March 19, 2019), (SR-NYSEARCA-2019-13) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Commentary .02 to Rule 6.72-O to specify that replacement issues may be added to the Penny Pilot quarterly)

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ Id.

the Penny Pilot Program should be structured in the future. Further, the Exchange believes the six month lookback is appropriate because this time period would help reduce the impact of unusual trading activity as a result of unique market events, such as a corporate action (i.e., it would result in a more reliable measure of average daily trading volume than would a shorter period). Thus, the Exchange believes this proposal would promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in facilitating transactions in securities, and remove impediments to and perfect the mechanisms of a free and open market and a national market system.

The Exchange notes that it is not making any other substantive changes to the Penny Pilot Program, other than modifying the timing for replacement issues and therefore the Exchange will continue to participate in a program that has been viewed as beneficial to traders, investors and public customers and viewed as successful by the other options exchanges participating in it.

The Exchange believes that the Penny Pilot Program would continue to promote just and equitable principles of trade by enabling public customers and other market participants to express their true prices to buy and sell options to the benefit of all market participants.

4. 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 that allowing the Exchange to add replacement classes to the Penny Pilot Program on a quarterly basis would make the list of Penny Pilot Program-eligible classes more current and would enable further analysis of the Penny Pilot Program, including for a determination of how the Penny Pilot Program should be structured in the future. In doing so, the proposed rule change will also serve to promote regulatory clarity and consistency, thereby

reducing burdens on the marketplace and facilitating investor protection. The Penny Pilot Program is an industry-wide initiative supported by all other option exchanges. The Exchange believes that the proposed change would allow for continued competition between Exchange market participants trading similar products as their counterparts on other exchanges, while at the same time allowing the Exchange to continue to compete for order flow with other exchanges in option issues trading as part of the Penny Pilot Program.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6)¹² thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The proposed rule change does not significantly affect the protection of investors. As discussed above, the Exchange believes the proposal to allow the Exchange to replace delisted classes in the Penny Pilot Program on a quarterly basis would not impose any significant burden on competition but would instead be pro-competitive as it would render the list of Penny Pilot

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

Program-eligible classes more current (because it allows for quarterly updates) and would enable further analysis of the Penny Pilot Program, including for a determination of how the Penny Pilot Program should be structured in the future. Replacement classes have routinely been added to the Penny Pilot Program on other exchanges on a semi-annual basis and the Exchange merely seeks to increase the frequency of such replacements to a quarterly basis; thus, the Exchange has not proposed any new policies or provisions that are unique or unproven. The Exchange would utilize the six month lookback to determine trading activity for Penny Pilot Program-eligible classes, as this time period would help reduce the impact of unusual trading activity as a result of unique market events, such as a corporate action. Moreover, the Exchange is not making any other substantive changes to the Penny Pilot Program and therefore the Exchange will continue to participate in a program that has been viewed as beneficial to traders, investors and public customers and viewed as successful by the other options exchanges participating in it.

The Exchange believes that the Penny Pilot Program permits public customers and other market participants to express their true prices to buy and sell options and results in additional flexibility when making investment decisions, which can help promote a fair, competitive and orderly options market.

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. Furthermore, a proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act¹³ normally does not become operative for 30 days after the date

¹³ 17 CFR 240.19b-4(f)(6).

of its filing. However, Rule 19b-4(f)(6)¹⁴ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. As described above, the Exchange's proposed rule change is identical to recently proposed rule changes by NYSE American LLC ("NYSE American") and NYSE Arca Inc. ("NYSE Arca").¹⁵ Accordingly, because the proposed rule change is based on the proposed rules of another Self-Regulatory Organization and thus does not introduce any new regulatory issues, the Exchange has filed this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹⁶ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁷

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes operative. The Exchange believes that waiver of the 30-day operative delay period is appropriate because, if approved, the Exchange would be able to add new classes at the start of the second quarter (i.e., in April 2019), resulting in a more up-to-date list of classes in the Penny Pilot Program, which would enable further analysis of the Penny Pilot Program, including for a determination of how the Penny Pilot Program should be structured in the future.

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.

¹⁴ 17 CFR 240.19b-4(f)(6).

¹⁵ See supra note 7.

¹⁶ 17 CFR 240.19b-4.

¹⁷ 17 CFR 240.19b-4(f)(6).

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is based on the recent filings by NYSE American and NYSE Arca with the Commission.¹⁸

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.

5. Text of proposed rule change.

¹⁸ See supra note 7.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-EMERALD-2019-16)

March__, 2019

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX Emerald, LLC to Amend Exchange Rule 510, Minimum Price Variations and Minimum Trading Increments

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 March 22, 2019, MIAX Emerald, LLC (“MIAX Emerald” 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 Exchange Rule 510, Minimum Price Variations and Minimum Trading Increments, to specify that replacement classes may be added to the Penny Pilot Program on a quarterly basis, without altering the expiration date of the Penny Pilot Program, which is June 30, 2019.³

The text of the proposed rule change is available on the Exchange’s website at <http://www.miaxoptions.com/rule-filings/emerald> at MIAX Emerald’s principal office, and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 85225 (March 1, 2019), 84 FR 8353 (March 7, 2019) (SR-EMERALD-2019-06).

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.

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 510, Minimum Price Variations and Minimum Trading Increments, Interpretations and Policies .01, regarding the Penny Pilot Program, to specify that replacement classes may be added to the Penny Pilot Program on a quarterly basis, without altering the expiration date of the Penny Pilot Program, which is June 30, 2019.

The Exchange recently filed to extend the Penny Pilot Program until June 30, 2019 (from December 31, 2018) and also updated the rule text to delete the sentence regarding replacement classes being added to the Penny Pilot Program on the second trading day following July 1, 2018. At that time, the Exchange noted that the deletion would create a difference between the rule text of MIAX Emerald and that of the Exchange's affiliates, Miami International Securities Exchange, LLC and MIAX PEARL, LLC, however, in practice there would be no difference as the second trading day following January 1, 2019 had already passed.⁴ The Exchange now proposes to adopt a new sentence to the rule text about when replacement classes may be added to the Penny Pilot Program. Specifically, the Exchange proposes to add the following sentence after the last sentence of Exchange Rule 510, Interpretations and Policies .01: "The replacement

⁴ See id.

classes may be added to the penny pilot on the second trading day in the first month of each quarter.”

Exchange Rule 510 currently authorizes the Exchange to replace any option classes in the Penny Pilot Program that have been delisted with the next most actively traded multiply listed option classes that are not yet included in the Penny Pilot Program, based on trading activity in the previous six months.⁵ The Exchange now proposes to modify Rule 510, Minimum Price Variations and Minimum Trading Increments, Interpretations and Policies .01, to allow the Exchange to add replacement classes (for Penny Pilot Program classes that have been delisted) on a quarterly basis. With this proposal, the Exchange would add eligible replacement classes in April, July, October of 2019, and then in January of 2020 and each subsequent quarter. The Exchange believes this change would allow the Exchange to update option classes eligible for the Penny Pilot Program (by replacing delisted classes) on a quarterly basis and would enable further analysis of the Penny Pilot Program and a determination of how the Penny Pilot Program should be structured in the future.

As is the case today, the Exchange will determine replacement classes based on trading activity in the previous six months (the “six month lookback”) but will not use the month immediately preceding the addition of a replacement to the Penny Pilot Program. Thus, a replacement class to be added on the second trading day following April 1, 2019 would be identified based on The Option Clearing Corporation’s trading volume data from September 1, 2018 through February 28, 2019.⁶ The Exchange believes the six month lookback is appropriate because this time period would help reduce the impact of unusual trading activity as a result of

⁵ See Exchange Rule 510, Interpretations and Policies .01.

⁶ Exchange Rule 510, Interpretations and Policies .01 continues to obligate the Exchange to announce the replacement classes by a Listings Alert.

unique market events, such as a corporate action (i.e., it would result in a more reliable measure of average daily trading volume than would a shorter period).

This filing does not propose any substantive changes to the Penny Pilot Program: all classes currently participating will remain the same and all minimum increments will remain unchanged. The Exchange believes the benefits to public customers and other market participants who will be able to express their true prices to buy and sell options have been demonstrated to outweigh the increase in quote traffic. In addition, the proposed change would align the Exchange with competing options exchanges that have proposed rules consistent with this proposal.⁷

2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act⁹ 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.

⁷ See Securities Exchange Act Release Nos. 85348 (March 18, 2019), 84 FR 10860 (March 22, 2019)(SR-NYSEAMER-2019-05); 85363 (March 19, 2019), (SR-NYSEARCA-2019-13) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Commentary .02 to Rule 6.72-O to specify that replacement issues may be added to the Penny Pilot quarterly)

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁰ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. In particular, the Exchange believes the proposal to allow the addition of replacement classes to the Penny Pilot Program on a quarterly basis would result in a more current list of Penny Pilot Program-eligible classes and would enable further analysis of the Penny Pilot Program, including for a determination of how the Penny Pilot Program should be structured in the future. Further, the Exchange believes the six month lookback is appropriate because this time period would help reduce the impact of unusual trading activity as a result of unique market events, such as a corporate action (i.e., it would result in a more reliable measure of average daily trading volume than would a shorter period). Thus, the Exchange believes this proposal would promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in facilitating transactions in securities, and remove impediments to and perfect the mechanisms of a free and open market and a national market system.

The Exchange notes that it is not making any other substantive changes to the Penny Pilot Program, other than modifying the timing for replacement issues and therefore the Exchange will continue to participate in a program that has been viewed as beneficial to traders, investors and public customers and viewed as successful by the other options exchanges participating in it.

The Exchange believes that the Penny Pilot Program would continue to promote just and equitable principles of trade by enabling public customers and other market participants to express their true prices to buy and sell options to the benefit of all market participants.

¹⁰

Id.

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 that allowing the Exchange to add replacement classes to the Penny Pilot Program on a quarterly basis would make the list of Penny Pilot Program-eligible classes more current and would enable further analysis of the Penny Pilot Program, including for a determination of how the Penny Pilot Program should be structured in the future. In doing so, the proposed rule change will also serve to promote regulatory clarity and consistency, thereby reducing burdens on the marketplace and facilitating investor protection. The Penny Pilot Program is an industry-wide initiative supported by all other option exchanges. The Exchange believes that the proposed change would allow for continued competition between Exchange market participants trading similar products as their counterparts on other exchanges, while at the same time allowing the Exchange to continue to compete for order flow with other exchanges in option issues trading as part of the Penny Pilot Program.

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 Act¹¹ and Rule 19b-4(f)(6)¹² 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-EMERALD-2019-16 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 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.

All submissions should refer to File Number SR-EMERALD-2019-16. 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 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; 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-EMERALD-2019-16 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.¹³

Brent J. Fields
Secretary

¹³ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined;
Deleted text is in [brackets]

MIAX EMERALD, LLC

Rule 510. Minimum Price Variations and Minimum Trading Increments

No change.

Interpretations and Policies:

.01 Notwithstanding any other provision of this Rule 510, the Exchange will operate a pilot program, scheduled to expire on June 30, 2019, to permit options classes to be quoted and traded in increments as low as \$.01. The Exchange will specify which options trade in such pilot, and in what increments, in Listings Alerts distributed to Members and posted on the Exchange's website. The Exchange may replace any pilot classes that have been delisted with the next most actively traded multiply listed options classes that are not yet included in the pilot program, based on trading activity in the previous six months. The replacement classes may be added to the penny pilot on the second trading day in the first month of each quarter.

.02 No change.
