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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2019 - * 27
Amendment No. (req. for Amendments *)

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) *
☑	☐	☐	☐	☑	☐

Rule

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☑ 19b-4(f)(6)

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

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

Amend Exchange Rule 518 to standardize allocation priority at the conclusion of a Complex Auction.

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 * Gregory Last Name * Ziegler

Title * Senior Associate Counsel

E-mail * gziegler@miaxoptions.com

Telephone * (609) 897-1483 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.

Date 07/18/2019

By Gregory P. Ziegler

(Name *)

(Title *)

AVP and Senior Associate Counsel

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.

gziegler@miami-holdings.com

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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 * 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, 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 Add Remove View	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 Exchange Rule 518, Complex Orders, to amend subsection (d)(7) and to make a minor non-substantive change to correct a typographical error in subsection (f)(1) of Interpretation and Policy .05.

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 Gregory P. Ziegler, Assistant Vice President and Senior Associate Counsel, at (609) 897-1438.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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

a. Purpose

The Exchange proposes to amend Exchange Rule 518, Complex Orders, to amend subsection (d)(7), Allocation at the Conclusion of a Complex Auction, to adopt a new parenthetical to existing rule text to state that orders and quotes executed in a Complex Auction[3] will be allocated first in price priority based on their original limit price (or protected price, as described in Interpretation and Policy .05., if price protection is engaged).

Currently, subsection (d)(7) of the Rule provides that orders and quotes executed in a Complex Auction will be allocated first in price priority based on their original limit price, and thereafter as follows, and the Rule lists six different scenarios which influence allocation. The Exchange is proposing to adopt the parenthetical, "or protected price if price protection, as described in Interpretation and Policy .05., is engaged" after the term "original limit price" to improve the fairness and consistency of allocations among participants at the end of a Complex Auction.

Under the proposal, allocations will continue to be calculated based on original limit price, with the exception that if price protection is engaged, allocation will then be based on the order's protected price as opposed to the order's original limit price. The following examples using the MPC Protection better illustrate this scenario.[4]

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3 See Exchange Rule 518(d).

4 The Exchange notes that the System provides a number of price protections as described in Policy .05. of Interpretations and Policies to this Rule. Price protections include a Vertical Spread Variance price protection (.05.(a)); a Calendar Spread Variance price protection (.05.(b)); an Implied Away Best Bid or Offer ("ixABBO") price protection. The ixABBO price protection feature is a price protection mechanism under which, when in operation as requested by the submitting Member, a buy order will not be executed at a price that is higher than each other single exchange's best displayed offer for the complex

Example #1A

End of Complex Auction Allocation Using Current Allocation Methodology

icEBBO[5]/dcEBBO[6] 1.75 x 2.00
cNBBO[7] 1.85 x 1.95
MPC 0.05

MPC Protection:
cNBB[8] – MPC (1.85 – 0.05 = 1.80)
cNBO[9] + MPC (1.95 + 0.05 = 2.00)

Complex Order 1 (CO1) Buy 10 @ 2.00 (Auction on Arrival)[10]

CO1 marked AOA initiates an auction upon receipt.

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strategy, and under which a sell order will not be executed at a price that is lower than each other single exchange's best displayed bid for the complex strategy (.05.(d)); and a Complex MIAX Emerald Price Collar ("MPC") price protection (.05.(f)).

5 Implied Complex MIAX Emerald Best Bid or offer ("icEBBO"). The icEBBO is a calculation that uses the best price from the Simple Order Book for each component of a complex strategy including displayed and non-displayed trading interest. For stock-option orders, the icEBBO for a complex strategy will be calculated using the best price (whether displayed or non-displayed) on the Simple Order Book in the individual option component(s), and the NBBO in the stock component. See Exchange Rule 518(a)(12).

6 Displayed Complex MIAX Emerald Best Bid or Offer ("dcEBBO"). The dcEBBO is calculated using the best displayed price for each component of a complex strategy from the Simple Order Book. For stock-option orders, the dcEBBO for a complex strategy will be calculated using the Exchange's best displayed bid or offer in the individual option component(s) and the NBBO in the stock component. See Exchange Rule 518(a)(8).

7 The Complex National Best Bid or Offer ("cNBBO") is calculated using the NBBO for each component of a complex strategy to establish the best net bid and offer for a complex strategy. See Exchange Rule 100.

8 NBB means the National Best Bid.

9 NBO means the National Best Offer.

10 A "Complex Auction-on-Arrival" or "cAOA" order is a complex order designated to be placed into a Complex Auction upon receipt or upon evaluation. Complex orders that are not designated as cAOA will, by default, not initiate a Complex Auction upon arrival, but except as described herein will be eligible to participate in a Complex Auction that is in progress when such complex order arrives or if placed on the Strategy Book may participate in or may initiate a Complex Auction, following evaluation conducted by the System (as described in subparagraph (d) below). See Exchange Rule 518(b)(2)(i).

Market Maker ("MM")[11] Complex Order 2 (CO2) Sell 10 @ 1.80 (MPC = 1.80)
MM Complex AOC eQuote[12] 3 (CO3) Sell 10 @ 1.00 (MPC = 1.80)

Unrelated order CO2 and related response CO3 arrive during the auction and join the auction in progress. The Auction concludes with no further interest being received.

Upon conclusion of the Auction CO2 and CO3 are subject to MPC Protection and cannot trade more than 0.05 lower than the Away Best Bid (1.85); meaning that these orders cannot trade lower than 1.80. With allocation based upon the original limit price CO3 trades 10 with CO1 at 1.80 ahead of CO2 since CO3's original limit price (1.00) was more aggressive than the original limit price of CO2 (1.80). CO2 does not trade and leaves a balance of 10 to sell at 1.80.

cToM[13] 1.75 x 1.80 (10)

Example 1B below illustrates the same scenario but with allocation as proposed by the new rule language.

Example #1B

End of Complex Auction Allocation Using Proposed Allocation Methodology (Price Protection Engaged)

icEBBO/dcEBBO 1.75 x 2.00
cNBBO 1.85 x 1.95
MPC 0.05

MPC Protection:
cNBB – MPC (1.85 – 0.05 = 1.80)
cNBO + MPC (1.95 + 0.05 = 2.00)

Complex Order 1 (CO1) Buy 10 @ 2.00 (Auction on Arrival)

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11 The term "Market Makers" refers to "Lead Market Makers", "Primary Lead Market Makers" and "Registered Market Makers" collectively. See Exchange Rule 100.

12 A "Complex Auction-or-Cancel eQuote" or "cAOC eQuote," which is an eQuote submitted by a Market Maker that is used to provide liquidity during a specific Complex Auction with a time in force that corresponds with the duration of the Complex Auction. A cAOC eQuote with a size greater than the aggregate auctioned size (as defined in Rule 518(d)(4)) will be capped for allocation purposes at the aggregate auctioned size. See Exchange Rule 518.02(c)(1).

13 cToM is the Exchange's Complex Top of Market data feed.

CO1 marked AOA initiates an auction upon receipt.

MM Complex Order 2 (CO2) Sell 10 @ 1.80 (MPC = 1.80)
MM Complex AOC eQuote 3 (CO3) Sell 10 @ 1.00 (MPC = 1.80)

Unrelated order CO2 and related response CO3 arrive during the auction and join the auction in progress. The Auction concludes with no further interest being received.

Upon conclusion of the Auction CO2 and CO3 are subject to MPC Protection and cannot trade more than 0.05 lower than the Away Best Bid (1.85); meaning that these orders cannot trade lower than 1.80. With allocation priority based on the protected price CO3 trades a pro-rata share of 5 with CO1 at 1.80 based on its protected price. CO2 also trades a pro-rata share of 5 with CO1 at 1.80 based on its protected price. CO1 is filled, CO2 and CO3 each leave a balance of 5, booked at their protected price of 1.80.

cToM 1.75 x 1.80 (10)

The Exchange believes that using the protected price is more meaningful than using an order's original limit price in the context of determining trade allocation priority as orders cannot be executed at prices that would violate their protected price. Additionally, changing the allocation priority in this fashion would align allocations for orders with the same protected price, when price protection is engaged, with allocations for orders with the same original limit price, when price protection is not engaged, which can be seen in the examples below.

<u>Example #2A</u>

<u>End of Complex Auction Allocation Using Current Allocation Methodology</u>

icEBBO/dcEBBO 1.75 x 2.00
cNBBO 1.85 x 1.95
MPC 0.05

MPC Protection:
cNBB – MPC (1.85 – 0.05 = 1.80)
cNBO + MPC (1.95 + 0.05 = 2.00)

Complex Order 1 (CO1) Buy 10 @ 2.00 (Auction on Arrival)

CO1 marked AOA initiates an auction upon receipt.

Market Maker ("MM") Complex Order 2 (CO2) Sell 10 @ 1.90 (MPC = 1.80)
MM Complex AOC eQuote 3 (CO3) Sell 10 @ 1.90 (MPC = 1.80)

Unrelated order CO2 and related response CO3 arrive during the auction and joins the auction in progress. The Auction concludes with no further interest being received.

Upon conclusion of the Auction CO2 and CO3 when subject to MPC Protection cannot trade more than 0.05 lower than the Away Best Bid (1.85); meaning that these orders cannot trade lower than 1.80. However since the limit price of CO2 and CO3 is not through the MPC Protected Price, price protection is not engaged and the trade is based on the best limit price among CO2 and CO3. With allocation based upon the original limit price; CO3 trades a pro-rata share of 5 with CO1 at 1.90 based on its original price. CO2 also trades a pro-rata share of 5 with CO1 at 1.90 based on its original price. CO1 is filled, CO2 and CO3 each leave a balance of 5, booked at their limit price.

Example 2B below illustrates the same scenario but with allocation as proposed by the new rule language.

<u>Example #2B</u>

<u>End of Complex Auction Allocation Using Proposed Allocation Methodology (Price Protection Not Engaged)</u>

icMBBO/dcMBBO 1.75 x 2.00
cNBBO 1.85 x 1.95
MPC 0.05
MPC Protection = cNBB – MPC (1.85 – 0.05 = 1.80)

Complex Order 1 (CO1) Buy 10 @ 2.00 (Auction on Arrival)

CO1 marked AOA initiates an auction upon receipt.

Market Maker ("MM") Complex Order 2 (CO2) Sell 10 @ 1.90 (MPC = 1.80)
MM Complex AOC eQuote 3 (CO3) Sell 10 @ 1.90 (MPC = 1.80)

Unrelated order CO2 and related response CO3 arrive during the auction and joins the auction in progress. The Auction concludes with no further interest being received.

Upon conclusion of the Auction CO2 and CO3 when subject to MPC Protection cannot trade more than 0.05 lower than the Away Best Bid (1.85); meaning that these orders cannot trade lower than 1.80. However since the limit price of CO2 and CO3 is not through the MPC Protected Price, price protection is not engaged and the trade is based on the best limit price among CO2 and CO3. With allocation based upon the original limit price; CO3 trades a pro-rata share of 5 with CO1 at 1.90 based on its original price.

CO2 also trades a pro-rata share of 5 with CO1 at 1.90 based on its original price. CO1 is filled, CO2 and CO3 each leave a balance of 5, booked at their limit price.

There is no difference in the allocation results under the proposed allocation algorithm or the current allocation algorithm for orders with identical original limit prices when price protection is not engaged. Additionally, as demonstrated in Example 3A and 3B below, there is no difference in the allocation results under the proposed allocation algorithm or the current allocation algorithm for orders with differing original limit prices when price protection is not engaged.

Example #3A

End of Complex Auction Allocation Using Current Allocation Methodology

icEBBO/dcEBBO 1.75 x 2.00
cNBBO 1.85 x 1.95
MPC 0.05

MPC Protection:
cNBB – MPC (1.85 – 0.05 = 1.80)
cNBO + MPC (1.95 + 0.05 = 2.00)

Complex Order 1 (CO1) Buy 10 @ 2.00 (Auction on Arrival)

CO1 marked AOA initiates an auction upon receipt.

Market Maker ("MM") Complex Order 2 (CO2) Sell 10 @ 1.95 (MPC = 1.80)
MM Complex AOC eQuote 3 (CO3) Sell 10 @ 1.85 (MPC = 1.80)

Unrelated order CO2 and related response CO3 arrive during the auction and join the auction in progress. The Auction concludes with no further interest being received.

Upon conclusion of the Auction CO2 and CO3 when subject to MPC Protection cannot trade more than 0.05 lower than the Away Best Bid (1.85); meaning that these orders cannot trade lower than 1.80. However since the limit price of CO2 and CO3 is not through the MPC Protected Price, price protection is not engaged. With allocation based upon the original limit price; CO3 trades 10 with CO1 at 1.90 ahead of CO2 since its original limit price (1.85) was more aggressive than the original limit price of CO2 (1.95). CO2 does not trade and leaves a balance of 10 to sell at 1.95.

Example #3B

End of Complex Auction Allocation Using Proposed Allocation Methodology (Price Protection Not Engaged)

icMBBO/dcMBBO 1.75 x 2.00
cNBBO 1.85 x 1.95
MPC 0.05
MPC Protection = cNBB – MPC (1.85 – 0.05 = 1.80)

Complex Order 1 (CO1) Buy 10 @ 2.00 (Auction on Arrival)

CO1 marked AOA initiates an auction upon receipt.

Market Maker ("MM") Complex Order 2 (CO2) Sell 10 @ 1.95 (MPC = 1.80)
MM Complex AOC eQuote 3 (CO3) Sell 10 @ 1.85 (MPC = 1.80)

Unrelated order CO2 and related response CO3 arrive during the auction and joins the auction in progress. The Auction concludes with no further interest being received.

Upon conclusion of the Auction CO2 and CO3 when subject to MPC Protection cannot trade more than 0.05 lower than the Away Best Bid; meaning that these orders cannot trade lower than 1.80. However since the limit price of CO2 and CO3 is not through the MPC Protected Price, price protection is not engaged. Allocation remains based upon original limit price as price protection is not engaged. CO3 trades 10 with CO1 at 1.90 ahead of CO2 since its original limit price (1.85) was more aggressive than the original limit price of CO2 (1.95). CO2 does not trade and leaves a balance of 10 to sell at 1.95.

As illustrated by the examples above, there is no difference in allocations under the proposal when orders have the same, or different, original limit prices when price protection is not engaged (Examples 2 and 3 respectively). Under the current rule there is a difference in allocation when orders have the same protected price but different original limit prices, as illustrated in Example 1. Under the Exchange's proposal, using the order's protected price, when price protection is engaged, to determine allocation, will provide the same allocation result as when orders have the same original limit price, but when price protection is not engaged (as demonstrated in Example 2). The Exchange believes that allocating interest at the conclusion of a Complex Auction based upon an order's protected price, when price protection is engaged, as opposed to its original limit price, provides a consistent allocation methodology when orders have the same price (either original limit price when price protection is not engaged, or protected price when price protection is engaged).

Additionally, the Exchange proposes to amend section (f) of Interpretation and Policy .05 to add an opening quotation to the term eQuotes in subsection (1), which states, [a]ll complex orders on the Exchange, together with cAOC eQuotes and cIOC eQuotes[14] (as defined in Interpretations and Policies: 02.(c)(1) and (2) of this Rule) (collectively, "eQuotes"), are subject to the MPC Price Protection feature. This is non-substantive change to make a typographical correction to the rule text.

b. Statutory Basis

MIAX Emerald believes that its proposed rule change is consistent with Section 6(b) of the Act[15] in general, and furthers the objectives of Section 6(b)(5) of the Act[16] 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

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14 A "Complex Immediate-or-Cancel eQuote" or "cIOC eQuote," which is a complex eQuote with a time-in-force of IOC that may be matched with another complex quote or complex order for an execution to occur in whole or in part upon receipt into the System. cIOC eQuotes will not: (i) be executed against individual orders and quotes resting on the Simple Order Book; (ii) be eligible to initiate a Complex Auction or join a Complex Auction in progress; (iii) rest on the Strategy Book; or (iv) be displayed. Any portion of a cIOC eQuote that is not executed will be immediately cancelled. See Exchange Rule 518.02(c)(2).

15 15 U.S.C. 78f(b).

16 15 U.S.C. 78f(b)(5).

free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that determining priority for allocating interest at the conclusion of a Complex Auction based on an order's protected price, when price protection is engaged, 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 providing a consistent allocation methodology. Basing trade allocation priority on an order's protected price provides for a more equitable allocation of interest at the conclusion of a Complex Auction versus using an order's original limit price to determine allocation priority. An order's original limit price is not relevant for determining allocation as the order cannot trade through its protected price. Therefore, the Exchange believes that when price protection is engaged, using the protected price as the basis for allocation priority at the conclusion of a Complex Auction is more appropriate.

As demonstrated in Example 1A, under the current rule an order with a limit price that is through its protected price supersedes an order with a limit price equal to its protected price. In Example 1A, the trade price is equal to the protected price, however the order with a more aggressive original limit price receives the first allocation. In Example 1A, the order's $1.00 original limit price to sell is illusory in the sense that the order can never be executed below its protected price of $1.80 due to price protection being engaged. With two orders that can be executed at $1.80 the Exchange believes that basing allocation on the protected price promotes just and equitable principles of trade, as both orders receive an allocation. This aligns to the allocation that results when two orders can be executed at their original limit price without price protection being engaged, and provides consistency in the allocation process used on the

Exchange, and prevents unfair allocations from occurring, which promotes just and equitable principles of trade.

The Exchange believes its proposal to make a non-substantive change to correct a typographical error protects investors and the public interest by providing accuracy in the Exchange's rules. Clarity and precision in the Exchange's rules helps avoid the potential for confusion which benefits investors and the public.

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 not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange's proposal will not impose any burden on inter-market competition as the proposal will only affect trade allocations performed at the conclusion of a Complex Auction on the Exchange, when price protection is engaged.

The Exchange does not believe the proposed rule change will impose any burden on intra-market competition as the rules of the Exchange are applicable to all Members[17] equally, and will equally impact those Members who participate in Complex Auctions.

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.

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[17] 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.

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

Pursuant to Section 19(b)(3)(A) of the Act[18] and Rule 19b-4(f)(6)[19] 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 Exchange's proposal does not significantly affect the protection of investors or the public interest, but rather improves the protection of investors by providing for a more equitable trade allocation procedure following the conclusion of a Complex Auction. The Exchange believes that its proposal protects investors and the public interest by harmonizing trade allocation priority when price protection is engaged with trade allocation priority when price protection is not engaged, so that consistent results may be achieved in both scenarios, and eliminates the potential for unfair allocations to occur. Basing trade allocation priority on an order's protected price, when price protection is engaged, provides for a more equitable allocation of interest at the conclusion of a Complex Auction versus using an order's original limit price to determine allocation priority, and therefore protects investors and benefits the public interest. Additionally, when price protection is not engaged, trade allocation priority will remain consistent with its current behavior.

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[18] 15 U.S.C. 78s(b)(3)(A).

[19] 17 CFR 240.19b-4(f)(6).

The Exchange's proposal does not impose any significant burden on competition as the Exchange's proposal will only affect trade allocations performed at the conclusion of a Complex Auction on the Exchange when price protection is engaged.

Therefore, the Exchange believes that the proposed rule change is well-suited for, and meets the standards applicable to, the Commission's treatment of proposals under Section 19(b)(3)(A) of the Act[20] and Rule 19b-4(f)(6) thereunder.[21] Accordingly, for the reasons stated above, the Exchange believes that the proposed rule change is non-controversial and is therefore eligible for immediately effective treatment under the Commission's current procedures for processing rule filings.

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 Act[22] normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)[23] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest.

The Exchange respectfully requests that the Commission waive the 30-day operative delay period pursuant to Section 19(b)(3)(A) of the Act[24] and paragraph (f)(6) of Rule 19b-4

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[20] 15 U.S.C. 78s(b)(3)(A).

[21] 17 CFR 240.19b-4(f)(6).

[22] 17 CFR 240.19b-4(f)(6).

[23] Id.

[24] 15 U.S.C. 78s(b)(3)(A).

thereunder.[25] The Exchange believes that waiver is consistent with the protection of investors and the public interest because it would enable market participants to immediately benefit from the proposed change which prevents unfair allocations from occurring at the conclusion of a Complex Auction and provides consistency in allocation results. The proposed waiver of the 30-day operative delay period would allow the Exchange to implement this proposed rule change simultaneously with prior rule changes related to complex order handling on the Exchange which are currently operative but not yet implemented, which the Exchange proposes to implement on or about August 12, 2019.[26]

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.

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

Not applicable.

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

Not applicable.

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25 17 CFR 240.19b-4(f)(6).

26 See Securities Exchange Release Nos. 86183 (June 24, 2019), 84 FR 31127 (June 28, 2019) (SR-EMERALD-2019-19) (Order Approving a Proposed Rule Change to Amend Exchange Rule 515A Concerning the PRIME Price Improvement and Solicitation Mechanisms and Rules 516 and 518 Regarding Post-Only Orders and Post-Only Quotes); 85346 (March 18, 2019), 84 FR 10854 (March 22, 2019) (SR-EMERALD-2019-14); and 85345 (March 18, 2019), 84 FR 10848 (March 22, 2019) (SR-EMERALD-2019-13).

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-EMERALD-2019-27)

July__, 2019

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX Emerald, LLC to Amend Exchange Rule 518, Complex Orders

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 July 18, 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 518, Complex Orders, to amend subsection (d)(7) and to make a minor non-substantive change to correct a typographical error in subsection (f)(1) of Interpretation and Policy .05.

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.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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 Exchange Rule 518, Complex Orders, to amend subsection (d)(7), Allocation at the Conclusion of a Complex Auction, to adopt a new parenthetical to existing rule text to state that orders and quotes executed in a Complex Auction[3] will be allocated first in price priority based on their original limit price (or protected price, as described in Interpretation and Policy .05., if price protection is engaged).

Currently, subsection (d)(7) of the Rule provides that orders and quotes executed in a Complex Auction will be allocated first in price priority based on their original limit price, and thereafter as follows, and the Rule lists six different scenarios which influence allocation. The Exchange is proposing to adopt the parenthetical, “or protected price if price protection, as described in Interpretation and Policy .05., is engaged” after the term “original limit price” to improve the fairness and consistency of allocations among participants at the end of a Complex Auction.

[3] See Exchange Rule 518(d).

Under the proposal, allocations will continue to be calculated based on original limit price, with the exception that if price protection is engaged, allocation will then be based on the order's protected price as opposed to the order's original limit price. The following examples using the MPC Protection better illustrate this scenario.[4]

Example #1A

End of Complex Auction Allocation Using Current Allocation Methodology

icEBBO[5]/dcEBBO[6] 1.75 x 2.00
cNBBO[7] 1.85 x 1.95
MPC 0.05

MPC Protection:
cNBB[8] – MPC (1.85 – 0.05 = 1.80)

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4 The Exchange notes that the System provides a number of price protections as described in Policy .05. of Interpretations and Policies to this Rule. Price protections include a Vertical Spread Variance price protection (.05.(a)); a Calendar Spread Variance price protection (.05.(b)); an Implied Away Best Bid or Offer ("ixABBO") price protection. The ixABBO price protection feature is a price protection mechanism under which, when in operation as requested by the submitting Member, a buy order will not be executed at a price that is higher than each other single exchange's best displayed offer for the complex strategy, and under which a sell order will not be executed at a price that is lower than each other single exchange's best displayed bid for the complex strategy (.05.(d)); and a Complex MIAX Emerald Price Collar ("MPC") price protection (.05.(f)).

5 Implied Complex MIAX Emerald Best Bid or offer ("icEBBO"). The icEBBO is a calculation that uses the best price from the Simple Order Book for each component of a complex strategy including displayed and non-displayed trading interest. For stock-option orders, the icEBBO for a complex strategy will be calculated using the best price (whether displayed or non-displayed) on the Simple Order Book in the individual option component(s), and the NBBO in the stock component. See Exchange Rule 518(a)(12).

6 Displayed Complex MIAX Emerald Best Bid or Offer ("dcEBBO"). The dcEBBO is calculated using the best displayed price for each component of a complex strategy from the Simple Order Book. For stock-option orders, the dcEBBO for a complex strategy will be calculated using the Exchange's best displayed bid or offer in the individual option component(s) and the NBBO in the stock component. See Exchange Rule 518(a)(8).

7 The Complex National Best Bid or Offer ("cNBBO") is calculated using the NBBO for each component of a complex strategy to establish the best net bid and offer for a complex strategy. See Exchange Rule 100.

8 NBB means the National Best Bid.

cNBO[9] + MPC (1.95 + 0.05 = 2.00)

Complex Order 1 (CO1) Buy 10 @ 2.00 (Auction on Arrival)[10]

CO1 marked AOA initiates an auction upon receipt.

Market Maker ("MM")[11] Complex Order 2 (CO2) Sell 10 @ 1.80 (MPC = 1.80)
MM Complex AOC eQuote[12] 3 (CO3) Sell 10 @ 1.00 (MPC = 1.80)

Unrelated order CO2 and related response CO3 arrive during the auction and join the auction in progress. The Auction concludes with no further interest being received.

Upon conclusion of the Auction CO2 and CO3 are subject to MPC Protection and cannot trade more than 0.05 lower than the Away Best Bid (1.85); meaning that these orders cannot trade lower than 1.80. With allocation based upon the original limit price CO3 trades 10 with CO1 at 1.80 ahead of CO2 since CO3's original limit price (1.00) was more aggressive than the original limit price of CO2 (1.80). CO2 does not trade and leaves a balance of 10 to sell at 1.80.

cToM[13] 1.75 x 1.80 (10)

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9 NBO means the National Best Offer.

10 A "Complex Auction-on-Arrival" or "cAOA" order is a complex order designated to be placed into a Complex Auction upon receipt or upon evaluation. Complex orders that are not designated as cAOA will, by default, not initiate a Complex Auction upon arrival, but except as described herein will be eligible to participate in a Complex Auction that is in progress when such complex order arrives or if placed on the Strategy Book may participate in or may initiate a Complex Auction, following evaluation conducted by the System (as described in subparagraph (d) below). See Exchange Rule 518(b)(2)(i).

11 The term "Market Makers" refers to "Lead Market Makers", "Primary Lead Market Makers" and "Registered Market Makers" collectively. See Exchange Rule 100.

12 A "Complex Auction-or-Cancel eQuote" or "cAOC eQuote," which is an eQuote submitted by a Market Maker that is used to provide liquidity during a specific Complex Auction with a time in force that corresponds with the duration of the Complex Auction. A cAOC eQuote with a size greater than the aggregate auctioned size (as defined in Rule 518(d)(4)) will be capped for allocation purposes at the aggregate auctioned size. See Exchange Rule 518.02(c)(1).

13 cToM is the Exchange's Complex Top of Market data feed.

Example 1B below illustrates the same scenario but with allocation as proposed by the new rule language.

Example #1B

End of Complex Auction Allocation Using Proposed Allocation Methodology (Price Protection Engaged)

icEBBO/dcEBBO 1.75 x 2.00
cNBBO 1.85 x 1.95
MPC 0.05

MPC Protection:
cNBB – MPC (1.85 – 0.05 = 1.80)
cNBO + MPC (1.95 + 0.05 = 2.00)

Complex Order 1 (CO1) Buy 10 @ 2.00 (Auction on Arrival)

CO1 marked AOA initiates an auction upon receipt.

MM Complex Order 2 (CO2) Sell 10 @ 1.80 (MPC = 1.80)
MM Complex AOC eQuote 3 (CO3) Sell 10 @ 1.00 (MPC = 1.80)

Unrelated order CO2 and related response CO3 arrive during the auction and join the auction in progress. The Auction concludes with no further interest being received.

Upon conclusion of the Auction CO2 and CO3 are subject to MPC Protection and cannot trade more than 0.05 lower than the Away Best Bid (1.85); meaning that these orders cannot trade lower than 1.80. With allocation priority based on the protected price CO3 trades a pro-rata share of 5 with CO1 at 1.80 based on its protected price. CO2 also trades a pro-rata share of 5 with CO1 at 1.80 based on its protected price. CO1 is filled, CO2 and CO3 each leave a balance of 5, booked at their protected price of 1.80.

cToM 1.75 x 1.80 (10)

The Exchange believes that using the protected price is more meaningful than using an order's original limit price in the context of determining trade allocation priority as orders cannot be executed at prices that would violate their protected price. Additionally, changing the allocation priority in this fashion would align allocations for orders with the same protected price, when price protection is engaged, with allocations for orders with the same original limit price, when price protection is not engaged, which can be seen in the examples below.

Example #2A

End of Complex Auction Allocation Using Current Allocation Methodology

icEBBO/dcEBBO 1.75 x 2.00
cNBBO 1.85 x 1.95
MPC 0.05

MPC Protection:
cNBB – MPC (1.85 – 0.05 = 1.80)
cNBO + MPC (1.95 + 0.05 = 2.00)

Complex Order 1 (CO1) Buy 10 @ 2.00 (Auction on Arrival)

CO1 marked AOA initiates an auction upon receipt.

Market Maker ("MM") Complex Order 2 (CO2) Sell 10 @ 1.90 (MPC = 1.80)
MM Complex AOC eQuote 3 (CO3) Sell 10 @ 1.90 (MPC = 1.80)

Unrelated order CO2 and related response CO3 arrive during the auction and joins the auction in progress. The Auction concludes with no further interest being received.

Upon conclusion of the Auction CO2 and CO3 when subject to MPC Protection cannot trade more than 0.05 lower than the Away Best Bid (1.85); meaning that these orders cannot trade lower than 1.80. However since the limit price of CO2 and CO3 is not through the MPC Protected Price, price protection is not engaged and the trade is based on the best limit price among CO2 and CO3. With allocation based upon the original limit price; CO3 trades a pro-rata share of 5 with CO1 at 1.90 based on its original price. CO2 also trades a pro-rata share of 5 with CO1 at 1.90 based on its original price. CO1 is filled, CO2 and CO3 each leave a balance of 5, booked at their limit price.

Example 2B below illustrates the same scenario but with allocation as proposed by the new rule language.

Example #2B

End of Complex Auction Allocation Using Proposed Allocation Methodology
(Price Protection Not Engaged)

icMBBO/dcMBBO 1.75 x 2.00
cNBBO 1.85 x 1.95
MPC 0.05
MPC Protection = cNBB – MPC (1.85 – 0.05 = 1.80)

Complex Order 1 (CO1) Buy 10 @ 2.00 (Auction on Arrival)

CO1 marked AOA initiates an auction upon receipt.

Market Maker ("MM") Complex Order 2 (CO2) Sell 10 @ 1.90 (MPC = 1.80)
MM Complex AOC eQuote 3 (CO3) Sell 10 @ 1.90 (MPC = 1.80)

Unrelated order CO2 and related response CO3 arrive during the auction and joins the auction in progress. The Auction concludes with no further interest being received.

Upon conclusion of the Auction CO2 and CO3 when subject to MPC Protection cannot trade more than 0.05 lower than the Away Best Bid (1.85); meaning that these orders cannot trade lower than 1.80. However since the limit price of CO2 and CO3 is not through the MPC Protected Price, price protection is not engaged and the trade is based on the best limit price among CO2 and CO3. With allocation based upon the original limit price; CO3 trades a pro-rata share of 5 with CO1 at 1.90 based on its original price. CO2 also trades a pro-rata share of 5 with CO1 at 1.90 based on its original price. CO1 is filled, CO2 and CO3 each leave a balance of 5, booked at their limit price.

There is no difference in the allocation results under the proposed allocation algorithm or the current allocation algorithm for orders with identical original limit prices when price protection is not engaged. Additionally, as demonstrated in Example 3A and 3B below, there is no difference in the allocation results under the proposed allocation algorithm or the current allocation algorithm for orders with differing original limit prices when price protection is not engaged.

Example #3A

End of Complex Auction Allocation Using Current Allocation Methodology

icEBBO/dcEBBO 1.75 x 2.00
cNBBO 1.85 x 1.95
MPC 0.05

MPC Protection:
cNBB – MPC (1.85 – 0.05 = 1.80)
cNBO + MPC (1.95 + 0.05 = 2.00)

Complex Order 1 (CO1) Buy 10 @ 2.00 (Auction on Arrival)

CO1 marked AOA initiates an auction upon receipt.

Market Maker ("MM") Complex Order 2 (CO2) Sell 10 @ 1.95 (MPC = 1.80)

MM Complex AOC eQuote 3 (CO3) Sell 10 @ 1.85 (MPC = 1.80)

Unrelated order CO2 and related response CO3 arrive during the auction and join the auction in progress. The Auction concludes with no further interest being received.

Upon conclusion of the Auction CO2 and CO3 when subject to MPC Protection cannot trade more than 0.05 lower than the Away Best Bid (1.85); meaning that these orders cannot trade lower than 1.80. However since the limit price of CO2 and CO3 is not through the MPC Protected Price, price protection is not engaged. With allocation based upon the original limit price; CO3 trades 10 with CO1 at 1.90 ahead of CO2 since its original limit price (1.85) was more aggressive than the original limit price of CO2 (1.95). CO2 does not trade and leaves a balance of 10 to sell at 1.95.

Example #3B

End of Complex Auction Allocation Using Proposed Allocation Methodology (Price Protection Not Engaged)

icMBBO/dcMBBO 1.75 x 2.00
cNBBO 1.85 x 1.95
MPC 0.05
MPC Protection = cNBB – MPC (1.85 – 0.05 = 1.80)

Complex Order 1 (CO1) Buy 10 @ 2.00 (Auction on Arrival)

CO1 marked AOA initiates an auction upon receipt.

Market Maker ("MM") Complex Order 2 (CO2) Sell 10 @ 1.95 (MPC = 1.80)
MM Complex AOC eQuote 3 (CO3) Sell 10 @ 1.85 (MPC = 1.80)

Unrelated order CO2 and related response CO3 arrive during the auction and joins the auction in progress. The Auction concludes with no further interest being received.

Upon conclusion of the Auction CO2 and CO3 when subject to MPC Protection cannot trade more than 0.05 lower than the Away Best Bid; meaning that these orders cannot trade lower than 1.80. However since the limit price of CO2 and CO3 is not through the MPC Protected Price, price protection is not engaged. Allocation remains based upon original limit price as price protection is not engaged. CO3 trades 10 with CO1 at 1.90 ahead of CO2 since its original limit price (1.85) was more aggressive than the original limit price of CO2 (1.95). CO2 does not trade and leaves a balance of 10 to sell at 1.95.

As illustrated by the examples above, there is no difference in allocations under the proposal when orders have the same, or different, original limit prices when price protection is not engaged (Examples 2 and 3 respectively). Under the current rule there is a difference in allocation when orders have the same protected price but different original limit prices, as illustrated in Example 1. Under the Exchange's proposal, using the order's protected price, when price protection is engaged, to determine allocation, will provide the same allocation result as when orders have the same original limit price, but when price protection is not engaged (as demonstrated in Example 2). The Exchange believes that allocating interest at the conclusion of a Complex Auction based upon an order's protected price, when price protection is engaged, as opposed to its original limit price, provides a consistent allocation methodology when orders have the same price (either original limit price when price protection is not engaged, or protected price when price protection is engaged).

Additionally, the Exchange proposes to amend section (f) of Interpretation and Policy .05 to add an opening quotation to the term eQuotes in subsection (1), which states, [a]ll complex orders on the Exchange, together with cAOC eQuotes and cIOC eQuotes[14] (as defined in Interpretations and Policies: 02.(c)(1) and (2) of this Rule) (collectively, "eQuotes"), are subject to the MPC Price Protection feature. This is non-substantive change to make a typographical correction to the rule text.

[14] A "Complex Immediate-or-Cancel eQuote" or "cIOC eQuote," which is a complex eQuote with a time-in-force of IOC that may be matched with another complex quote or complex order for an execution to occur in whole or in part upon receipt into the System. cIOC eQuotes will not: (i) be executed against individual orders and quotes resting on the Simple Order Book; (ii) be eligible to initiate a Complex Auction or join a Complex Auction in progress; (iii) rest on the Strategy Book; or (iv) be displayed. Any portion of a cIOC eQuote that is not executed will be immediately cancelled. See Exchange Rule 518.02(c)(2).

2. Statutory Basis

MIAX Emerald believes that its proposed rule change is consistent with Section 6(b) of the Act[15] in general, and furthers the objectives of Section 6(b)(5) of the Act[16] 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 Exchange believes that determining priority for allocating interest at the conclusion of a Complex Auction based on an order's protected price, when price protection is engaged, 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 providing a consistent allocation methodology. Basing trade allocation priority on an order's protected price provides for a more equitable allocation of interest at the conclusion of a Complex Auction versus using an order's original limit price to determine allocation priority. An order's original limit price is not relevant for determining allocation as the order cannot trade through its protected price. Therefore, the Exchange believes that when price protection is engaged, using the protected price as the basis for allocation priority at the conclusion of a Complex Auction is more appropriate.

As demonstrated in Example 1A, under the current rule an order with a limit price that is through its protected price supersedes an order with a limit price equal to its protected price. In Example 1A, the trade price is equal to the protected price, however the order with a more aggressive original limit price receives the first allocation. In Example 1A, the order's $1.00

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15 15 U.S.C. 78f(b).

16 15 U.S.C. 78f(b)(5).

original limit price to sell is illusory in the sense that the order can never be executed below its protected price of $1.80 due to price protection being engaged. With two orders that can be executed at $1.80 the Exchange believes that basing allocation on the protected price promotes just and equitable principles of trade, as both orders receive an allocation. This aligns to the allocation that results when two orders can be executed at their original limit price without price protection being engaged, and provides consistency in the allocation process used on the Exchange, and prevents unfair allocations from occurring, which promotes just and equitable principles of trade.

The Exchange believes its proposal to make a non-substantive change to correct a typographical error protects investors and the public interest by providing accuracy in the Exchange's rules. Clarity and precision in the Exchange's rules helps avoid the potential for confusion which benefits investors and the public.

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's proposal will not impose any burden on inter-market competition as the proposal will only affect trade allocations performed at the conclusion of a Complex Auction on the Exchange, when price protection is engaged.

The Exchange does not believe the proposed rule change will impose any burden on intra-market competition as the rules of the Exchange are applicable to all Members[17] equally, and will equally impact those Members who participate in Complex Auctions.

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17 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.

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 Act[18] and Rule 19b-4(f)(6)[19] 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:

[18] 15 U.S.C. 78s(b)(3)(A).

[19] 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.

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-EMERALD-2019-27 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.

All submissions should refer to File Number SR-EMERALD-2019-27. 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-2019-27 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.[20]

Brent J. Fields
Secretary

[20] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is <u>underlined</u>;
Deleted text is in [brackets]

MIAX Emerald, LLC Rules

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Rule 518. Complex Orders

(a) – (c) No change.

(d) **Complex Auction Process**. Certain option classes, as determined by the Exchange and communicated to Members via Regulatory Circular, will be eligible to participate in a Complex Auction (an "eligible class"). Upon evaluation as set forth in subparagraph (c)(5) above, the Exchange may determine to automatically submit a Complex Auction-eligible order into a Complex Auction. Upon entry into the System or upon evaluation of a complex order resting at the top of the Strategy Book, Complex Auction-eligible orders may be subject to an automated request for responses ("RFR").

(1) – (6) No change.

(7) **Allocation at the Conclusion of a Complex Auction**. Orders and quotes executed in a Complex Auction will be allocated first in price priority based on their original limit price <u>(or protected price, as described in Interpretation and Policy .05., if price protection is engaged)</u> and thereafter as follows:

(i) Individual orders and quotes in the leg markets resting on the Simple Order Book prior to the initiation of a Complex Auction and that have remained unchanged during the Auction have first priority, provided the complex order can be executed in full (or in a permissible ratio) against orders and quotes on the Simple Order Book, provided that the prices of the components on the Simple Order Book are at or within the NBBO for each component. Orders and/or quotes resting on the Simple Order Book that execute against a complex order will be allocated pursuant to Rule 514(c).

(ii) Priority Customer complex orders resting on the Strategy Book before, or that are received during, the Response Time Interval, and Priority Customer RFR Responses, collectively have second priority and will be allocated in price-time priority.

(iii) Market Maker Priority Interest for Complex and RFR Responses from Market Makers with Priority Interest for Complex collectively have third priority and will be allocated on a pro-rata basis as defined in Rule 514(c)(2).

(iv) Market Maker non-Priority Interest for Complex and RFR Responses from Market Makers with non-Priority Interest for Complex collectively have fourth priority and will be allocated on a pro-rata basis as defined in Rule 514(c)(2).

(v) Non-Market Maker Professional Interest complex orders resting on the Strategy Book, non-Market Maker Professional Interest complex orders placed on the Strategy Book during the Response Time Interval, and non-Market Maker Professional Interest RFR Responses will collectively have fifth priority and will be allocated on a pro-rata basis as defined in Rule 514(c)(2).

(vi) Individual orders and quotes in the leg markets that are received or changed during the Complex Auction will collectively have sixth priority and will be allocated pursuant to Rule 514(c)(2).

(8) – (12) No change.

(e) No change.

Interpretations and Policies:

.01. - .04. No change.

.05. **Price and Other Protections.** Unless otherwise specifically set forth herein, the price and other protections contained in this Interpretations and Policies .05 apply to all complex order types set forth in Rule 518(b) above.

(a) – (e) No change.

(f) **Complex MIAX Emerald Price Collar Protection**. The Complex MIAX Emerald Price Collar ("MPC") price protection feature is an Exchange-wide price protection mechanism under which a complex order or eQuote to sell will not be displayed or executed at a price that is lower than the opposite side cNBBO bid at the time the MPC is assigned by the System (i.e., upon receipt or upon opening) by more than a specific dollar amount expressed in $0.01 increments (the "MPC Setting"), and under which a complex order or eQuote to buy will not be displayed or executed at a price that is higher than the opposite side cNBBO offer at the time the MPC is assigned by the System by more than the MPC Setting (each the "MPC Price").

(1) All complex orders, together with cAOC eQuotes and cIOC eQuotes (as defined in Interpretations and Policies .02(c)(1) and (2) of this Rule) (collectively, "eQuotes"), are subject to the MPC price protection feature.

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