

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-74538; File No. SR-MIAX-2015-22)

March 19, 2015

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

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 12, 2015, Miami International Securities Exchange LLC (“MIAX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing a proposal to amend the MIAX Options Fee Schedule.

The text of the proposed rule change is available on the Exchange’s website at http://www.miaxoptions.com/filter/wotitle/rule_filing, at MIAX’s principal office, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 its Fee Schedule to make several changes to the Member and non-Member testing and certification fees. Specifically, the Exchange proposes to: (i) change the Member and non-Member Application Programming Interface (“API”) Testing and Certification Fees from a one-time fee to a per API and per test fee; (ii) increase the API Testing and Certification Fees for non-Members by \$200; (iii) [sic] change the Member Network Testing and Certification fee from a one-time per firm fee to a per connection and per test fee; (iii) [sic] change the non-Member Network Testing and Certification fee from a one-time per connection fee to a per connection and per test fee; (iv) [sic] increase the non-Member Network Testing and Certification Fee by \$200; and (v) [sic] modify the name of the Network Testing and Certification Fee.

API Testing and Certification Fees

An API makes it possible for Member and non-Member software to communicate with Exchange software applications, and is subject to Member and non-Member testing with, and certification by, the Exchange. API testing and certification includes testing all available order types, new order entry, order management, order throughput and mass order cancellation, and also includes testing of all available quote types, quote throughput, quote management and cancellation, risk management settings and triggers, and confirmation of quotes within the Exchange’s trading engines.

The Exchange currently assesses a one-time API Testing and Certification Fee to Members and non-Members. Electronic Exchange Members (“EEMs”)³ are assessed a one-time API Testing and Certification Fee of \$1,000. Market Makers⁴ are assessed a one-time API Testing and Certification Fee of \$2,500. Non-Members are assessed a one-time API Testing and Certification Fee of \$1,000. The fee represents the costs incurred by the Exchange as it works with each Member or non-Member while testing and certifying that the Member’s software systems communicate properly with the Exchange.

The Exchange proposes to modify the API Testing and Certification Fees from a one-time fee to a per API and per test fee in order to compensate for the additional costs associated with testing and certifying Members and non-Members multiple times for multiple connections. Member and Non-Member API Testing and Certification Fees will be assessed initially per API and each time API testing and certification is required due to a change to existing API either initiated by the Member/non-Member, or in response to a new or modified API offered but not mandated by the Exchange. API Testing and Certification Fees will not be assessed in situations where the Exchange requires API testing and certification due to a change mandated by the Exchange. The Exchange believes that it is reasonable not to charge Testing and Certification Fees in such situations because it involves an Exchange mandated testing and certification.

The Member API Testing and Certification Fees will remain unchanged from the current \$1,000 for EEMs and \$2,500 for Market Makers.

³ The term “Electronic Exchange Member” means the holder of a Trading Permit who is not a Market Maker. Electronic Exchange Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

⁴ The term “Market Makers” refers to “Lead Market Makers”, “Primary Lead Market Makers” and “Registered Market Makers” collectively. See Exchange Rule 100.

The Exchange proposes to increase the non-Member API Testing and Certification Fees from \$1,000 to \$1,200 for Third Party Vendors,⁵ Service Bureaus,⁶ and other non-Members. It has been MIAx's experience that Member testing takes less time than non-Member testing because Members have more experience testing these systems with the Exchange; generally fewer questions and issues arise during the testing and certification process. Also, because third party vendors and Service Bureaus are redistributing data and reselling services to other Members and market participants the number and types of scenarios that need to be tested are more numerous and complex than those tested and certified for a single Member. Therefore, the Exchange believes that it is reasonable to charge non-Members more for API testing and certification than Members.

The Exchange notes that these changes will result in an increase to the API Testing and Certification Fees charged to Members and non-Members for those Members and non-Members that need testing and certification beyond the initial one. For example, Market Maker ("MM1") conducts API testing and certification initially upon connection to the Exchange, and then two more times during the year each time it upgrades its software. Currently, MM1 would be assessed \$2,500 in API Testing and Certification Fees for the three testing and certifications that were conducted by Exchange staff. As proposed, MM1 would be assessed \$7,500 in API Testing and Certification Fees for the three testing and certifications that were conducted by

⁵ Third Party Vendors are subscribers of MIAx's market and other data feeds, which they in turn use for redistribution purposes. Third party vendors do not provide connectivity and therefore are not subject to Network testing and certification. See Fee Schedule note 20.

⁶ A Service Bureau is a technology provider that offers and supplies technology and technology services to a trading firm that does not have its own proprietary system. The technology and technology services supplied by Service Bureaus include both software applications and connectivity, thus Service Bureaus are subject to both API testing and certification and network testing and certification. See Fee Schedule note 21.

Exchange staff. Example 2, a Third Party Vendor (“V1”) conducts API testing and certification initially upon connection to the Exchange for (2) API, and then two more times during the year each time it upgrades its software. Currently, V1 would be assessed \$2,000 in API Testing and Certification Fees for the four testing and certifications that were conducted by Exchange staff. As proposed, V1 would be assessed \$4,800 in API Testing and Certification Fees for the four testing and certifications that were conducted by Exchange staff. The proposed fee changes more closely represent the costs incurred by the Exchange as it works with each Member or non-Member while testing and certifying that the Member’s or non-Member’s software systems communicate properly with the Exchange.

Network Testing and Certification Fees

Network Testing and Certification Fees are charged to recoup installation and support costs incurred by the Exchange as it works with each Member and non-Member to make sure there are appropriate electronic connections with the Exchange’s system. The Exchange currently assesses Members a one-time Network Testing and Certification Fee of \$1,000 per Member firm for a one gigabit connection, and \$4,000 per Member firm for a ten gigabit connection. Members are currently not charged a Network Testing and Certification Fee for any additional connections and tests. The Exchange currently assesses non-Members a one-time Network Testing and Certification Fee of \$1,000 per Non-Member for a one gigabit connection, and \$4,000 per Non-Member for a ten gigabit connection. In contrast to Members, non-Members are charged a Network Testing and Certification Fee for each additional connection, but not additional tests.

The Exchange proposes to modify the Member Network Testing and Certification Fee from a one-time fee per firm to a per connection and per test fee in order to compensate for the additional costs associated with testing and certifying Members multiple times. The Exchange

also proposes to modify the non-Member Network Testing and Certification Fee from a one-time fee per connection to a per connection and per test fee. Member and non-Member Network Testing and Certification Fees will be assessed initially per connection, and each time testing and certification is required due to a change to existing network connectivity, either initiated by the Member/non-Member or in response to new or modified network connectivity offered but not mandated by the Exchange.⁷ Network Connectivity Testing and Certification Fees will not be assessed in situations where the Exchange requires network connectivity testing and certification due to a change or changes mandated by the Exchange. As stated above, the Exchange believes that it is reasonable not to charge Testing and Certification Fees in such situations because it involves an Exchange mandated testing and certification.

Member Network Testing and Certification Fees will remain unchanged from the current \$1,000 per 1 gigabit connection and \$4,000 per 10 gigabit connection.

The Exchange proposes to increase the non-Member Network Testing and Certification Fees from \$1,000 to \$1,200 per 1 gigabit connection, and from \$4,000 to \$4,200 per 10 gigabit connection. It has been MIAX's experience that Member testing takes less time than non-Member testing because Members have more experience testing these systems with the Exchange; generally fewer questions and issues arise during the testing and certification process. Also, because third party vendors and Service Bureaus are redistributing data and reselling services to other Members and market participants the number and types of scenarios that need to be tested are more numerous and complex than those tested and certified for a single Member.

⁷ For example, the Exchange could determine to make available a higher Gigabit connection, not currently offered by the Exchange, such as a 15 Gigabit connection. A Member or non-Member with a relatively high level of interaction with the Exchange's system may wish to establish such a connection, whereas a Member or non-Member with a relatively lower level of interaction with the Exchange's system may not have a need for such connectivity and would therefore elect not to engage in such a connection.

Therefore, the Exchange believes that it is reasonable to charge non-Members more for network testing and certification than Members.

The Exchange notes that these changes will result in an increase to the Network Testing and Certification Fees charged to Members and non-Members for those Members and non-Members that need testing and certification beyond the initial one. For example, MM1 conducts network testing and certification for a one gigabit connection initially upon connection to the Exchange, and then two more times during the year each time it upgrades its hardware. Currently, MM1 would be assessed \$1,000 in Network Testing and Certification Fees for the three testing and certifications that were conducted by Exchange staff. As proposed, MM1 would be assessed \$3,000 in Network Testing and Certification Fees for the three testing and certifications that were conducted by Exchange staff. Example 2, MM2 conducts networking and testing for (3) one gigabit connections, and then two more times during the year each time it upgrades its hardware. Currently, MM2 would be assessed \$1,000 in Network Testing and Certification Fees for the five testing and certifications that were conducted by Exchange staff. As proposed, MM1 would be assessed \$5,000 in Network Testing and Certification Fees for the five testing and certifications that were conducted by Exchange staff. Example 3, V1 conducts networking and testing for (3) one gigabit connections, and then two more times during the year each time it upgrades its software. Currently, V1 would be assessed \$3,000 in Network Testing and Certification Fees for the five testing and certifications that were conducted by Exchange staff. As proposed, V1 would be assessed \$6,000 in Network Testing and Certification Fees for the five testing and certifications that were conducted by Exchange staff. The proposed fee changes more closely represent the costs incurred by the Exchange as it works with each Member or non-Member while testing and certifying that the Member's or non-Member's connections are appropriate for the Exchange's system.

Finally, the Exchange proposes to modify the name of Network Testing and Certification Fee to Network Connectivity Testing and Certification Fee, and the title of the column in the chart from “Member Network Connectivity Testing and Certification” to “Type of Member”. The Exchange believes that the new title more clearly describes the type of service that is being provided in exchange for the fee.

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)(4) of the Act⁹ in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members.

The Exchange believes that the proposed changes of Member and non-Member API Testing and Certification Fees are reasonable, equitable and not unfairly discriminatory. The Exchange believes that the proposed fees are a reasonable allocation of its costs and expenses among its Members and other persons using its facilities since it is recovering the costs associated with providing such infrastructure testing and certification services, and with offering access through the network connections and access and services through API, responding to customer requests, configuring MIAX systems, programming API user specifications and administering the various services connectivity services. Access to the Exchange is provided on fair and non-discriminatory terms. The Exchange believes the proposed fees are equitable and not unfairly discriminatory because the new fee levels result in a more reasonable and equitable allocation of fees amongst non-Members and Members for similar services.

The Exchange believes that the proposed changes of Member Network Testing and Certification Fees are reasonable, equitable and not unfairly discriminatory. The Exchange

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(4).

believes that the proposed fees are a reasonable allocation of its costs and expenses among its Members and other persons using its facilities since it is recovering the costs associated with providing such infrastructure testing and certification services, and with offering access through the network connections and access and services through Ports, responding to customer requests, configuring MIAX systems, programming user specifications and administering the various connectivity services. Access to the Exchange is provided on fair and non-discriminatory terms. The Exchange believes the proposed fees are equitable and not unfairly discriminatory because the new fee levels result in a more reasonable and equitable allocation of fees amongst non-Members and Members for similar services.

The Exchange believes that Testing and Certification Fees and Network Connectivity Testing and Certification Fees should only be assessed when a Member or non-Member initiates a change to its system that requires testing and certification. The Exchange believes that it is reasonable not to charge Testing and Certification Fees and Network Connectivity Testing and Certification Fees in situations where the Exchange initiates a change to its own system that requires testing and certification. The proposed changes to the Fee Schedule are intended, among other things, to eliminate the potential burden of unexpected costs to users of the Exchange's system when testing and certification is required due to an Exchange-initiated system change.

The Exchange believes that the proposed fees are an equitable allocation of its costs and expenses among its Members and other persons using its facilities. The higher fee charged to non-Members reflects the greater amount of technological, financial and human resources devoted to testing and certification of non-Members. It has been the Exchange's experience that Members have more experience testing these systems with the Exchange; generally fewer questions and issues arise during the testing and certification process. In addition, non-Members

will be charged a higher Network Testing and Certification Fee because each connection will be used by different customers of a non-Member such as a Service Bureau or Extranet Provider, and each such customer must be individually tested and certified. The complexity, number and various types of scenarios involved in non-Member testing and certification require the Exchange to expend more resources in testing and certifying non-Member API and network connectivity requirements than those tested and certified for a single Member. Therefore, the higher fee applicable to non-Members is not unfairly discriminatory and is an equitable allocation of reasonable fees and other charges among Exchange Members and others using its facilities.

Finally, the Exchange believes that the proposed change to modify the name of the Network Testing and Certification Fee to Network Connectivity Testing and Certification Fee is reasonable in that the new title more clearly describes the type of service that is provided by the Exchange.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposal is reasonably designed to increase the fee charged for testing and certification in a manner to recoup the costs associated with multiple tests and certifications by both Members and non-Members. The Exchange believes that the proposal should reduce the disparity of testing and certification fees between Members and non-Members in a manner that promotes competition amongst these participants for these types of services. The higher fees charged to non-Members for testing and certification reflects the greater amount of technological, financial and human resources devoted to testing and certification of non-Members. It has been the Exchange's experience that Members have more experience testing these systems with the Exchange;

generally fewer questions and issues arise during the testing and certification process. In addition, non-Members will be charged a higher Network Testing and Certification Fee because each connection will be used by different customers of a non-Member such as a Service Bureau or Extranet Provider, and each such customer must be individually tested and certified. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow.

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

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.¹⁰ 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:

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

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:rule-comments@sec.gov). Please include File Number SR-MIAX-2015-22 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-MIAX-2015-22. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer

to File Number SR-MIAX-2015-22 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.¹¹

Brent J. Fields
Secretary

¹¹ 17 CFR 200.30-3(a)(12).