

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-76716; File No. SR-MIAX-2015-72)

December 21, 2015

Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change 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 December 11, 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 “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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend its Fee Schedule to: (i) reduce the transaction fee for options overlying EEM, GLD, IWM, QQQ, and SPY executed by non-MIAX Market Makers; and (ii) modify the transaction fee for options overlying EEM, GLD, IWM, QQQ and SPY assessed to non-MIAX Market Makers that achieve certain Priority Customer Rebate Program³ volume tiers.⁴

The Exchange proposes to decrease the per contract transaction fee for non-MIAX Market Makers for options overlying EEM, GLD, IWM, QQQ, and SPY from \$0.55 to \$0.50. The Exchange notes that the transaction fees for non-MIAX Market Makers in all other options classes will not change and thus will continue to be charged the same amount for non-Penny Pilot options classes and Penny Pilot options classes as they do today.

The Exchange proposes to continue to offer non-MIAX Market Makers the opportunity to reduce transaction fees by \$0.02 per contract in standard options in EEM, GLD, IWM, QQQ, and SPY. Specifically, any Member or its affiliates of at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A, that qualifies for Priority Customer Rebate Program volume tiers 3 or 4 and is a non-MIAX Market Maker will be assessed a reduced transaction fee of \$0.48 per contract for standard options in EEM, GLD, IWM, QQQ,

³ See Fee Schedule, Section 1)a)ii).

⁴ See Securities Act Release No. 73850 (December 16, 2014), 79 FR 76424 (December 22, 2014) (SR-MIAX-2014-63).

and SPY. The Exchange believes that these incentives will encourage non-MIAX Market Makers to transact a greater number of orders on the Exchange.

The Exchange believes that the proposed fee reduction for non-MIAX Market Makers in EEM, GLD, IWM, QQQ, and SPY will benefit these market participants and encourage them to send greater order flow to the Exchange.

The proposed changes to the Fee Schedule will be operative as of January 1, 2016.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act⁵ in general, and furthers the objectives of Section 6(b)(4) of the Act⁶ in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members and issuers and other persons using its facilities.

The Exchange's proposed decrease in transaction fees for non-MIAX Market Makers in EEM, GLD, IWM, QQQ and SPY is reasonable because the lower fees should encourage these market participants to send additional order flow to the Exchange and the additional order flow should benefit all market participants. The instant proposal is equitable and not unfairly discriminatory because the fee applies equally to all non-MIAX Market Makers. The Exchange's continued higher transaction fee for non-MIAX Market Makers compared to that for MIAX Market Makers is equitable and not unfairly discriminatory because MIAX Market Makers have enhanced quoting obligations measured in both quantity (as a percentage of time) and quality (minimum bid-ask differentials) that other market participants do not have.⁷ In addition, charging non-members higher transaction fees is a common practice amongst

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(4).

⁷ See MIAX Rules 603, 604, 605.

exchanges because Members are subject to other fees and dues associated with their membership to the Exchange that do not apply to non-members. The proposed differentiation between non-MIAX Market Makers and MIAX Market Makers recognizes the differing contributions made to the liquidity and trading environment on the Exchange by these market participants. Maintaining a lower transaction fee for MIAX Market Makers should encourage market participants and market makers on other exchanges to register as Market Makers on the Exchange, which will enhance the quality of quoting and should increase the volume of contracts traded in options listed on MIAX. Enhanced market quality and increased transaction volume that results from the increase in Market Maker activity on the Exchange will benefit all market participants and improve competition on the Exchange.

The Exchange's proposal to continue to offer non-MIAX Market Makers the opportunity to reduce transaction fees by \$0.02 per contract in standard options in EEM, GLD, IWM, QQQ, and SPY, provided certain criteria are met, is reasonable because the Exchange desires to offer all such market participants an opportunity to lower their transaction fees. This proposal is equitable and not unfairly discriminatory because the Exchange will offer this opportunity to all non-MIAX Market Makers in EEM, GLD, IWM, QQQ, and SPY.

The Exchange believes that establishing different pricing for EEM, GLD, IWM, and SPY options is reasonable, equitable, and not unfairly discriminatory because EEM, GLD, IWM, QQQ, and SPY options are more liquid options as compared to others and the Exchange wants to encourage market participants to become members and register as MIAX Market Makers.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposal is consistent with robust competition by increasing the

intermarket competition for order flow from market participants. The Exchange believes that charging non-members higher transaction fees is appropriate and is a common practice amongst exchanges, because Members are subject to other fees and dues associated with their Exchange that do not apply to non-members. The proposed differentiation as between non-MIAX Market Makers and MIAX Market Makers recognizes the differing contributions made to the liquidity and trading environment on the Exchange by these market participants. Maintaining a lower transaction fee for MIAX Market Makers should encourage market participants and market makers on other exchanges to register as MIAX Market Makers, which will enhance the quality of quoting and increase the volume of contracts traded in options listed on MIAX. Enhanced market quality and increased transaction volume that results from the anticipated increase in order flow submitted to the Exchange will benefit all market participants and improve competition on the Exchange. 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. The Exchange believes that the proposal reflects this competitive environment.

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,⁸ and Rule 19b-4(f)(2)⁹ thereunder. At any time within 60 days of the filing of the proposed

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).

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. Please include File Number SR-MIAX-2015-72 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.

All submissions should refer to File Number SR-MIAX-2015-72. 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 Section, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 am and 3:00 pm. Copies of the filing will also 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-2015-72 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.¹⁰

Brent J. Fields
Secretary

¹⁰ 17 CFR 200.30-3(a)(12).