

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="30"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2018"/> - * <input type="text" value="08"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by Miami International Securities Exchange, LLC.  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

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

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

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

Proposal to Amend the Fee Schedule

**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 * <input type="text" value="Joseph"/>	Last Name * <input type="text" value="Ferraro"/>
Title * <input type="text" value="Senior Vice President and Deputy General Counsel"/>	
E-mail * <input type="text" value="jferraro@miami-holdings.com"/>	
Telephone * <input type="text" value="(609) 897-8492"/>	Fax <input type="text"/>

**Signature**

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

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

(Title \*)

Date <input type="text" value="02/28/2018"/>	<input type="text" value="Senior Vice President and Deputy General Counsel"/>
By <input type="text" value="Joseph W. Ferraro III"/>	<input type="text" value="jferraro@miami-holdings.com"/>
(Name *)	

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

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

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

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

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

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

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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**

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Exhibit Sent As Paper Document

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

**Exhibit 4 - Marked Copies**

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

**Exhibit 5 - Proposed Rule Text**

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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**

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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) Miami International Securities Exchange, LLC (“MIAX Options” or “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> proposes to amend the MIAX Options Fee Schedule (the “Fee Schedule”).

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and a copy of the applicable section of the Fee Schedule 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 MIAX Options Board of Directors on December 7, 2017. 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 Joseph W. Ferraro, Senior Vice President and Deputy General Counsel, at (609) 897-8492.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

a. Purpose

The Exchange proposes to amend the Fee Schedule to modify certain aspects of the following fees that apply to MIAX Options Market Makers: (i) the Monthly Trading Permit fees; and (ii) the MEI Port fees.

The Exchange issues Trading Permits that confer the ability to transact on the Exchange.<sup>3</sup> Currently, the Exchange assesses the following monthly fees for MIAX Options Market Maker Trading Permits: (i) \$7,000 for Market Maker Assignments in up to 10 option classes or up to 20% of option classes by volume; (ii) \$12,000 for Market Maker Assignments in up to 40 option classes or up to 35% of option classes by volume; (iii) \$17,000 for Market Maker Assignments in up to 100 option classes or up to 50% of option classes by volume; and (iv) \$22,000.00 for Market Maker Assignments in over 100 option classes or over 50% of option classes by volume up to all option classes listed on MIAX Options.<sup>4</sup> For the calculation of these monthly Trading Permit fees, the number of classes is defined as the greatest number of classes the Market Maker was assigned to quote in on any given day within the calendar month and the class volume percentage is based on the total national average daily volume in classes listed on MIAX Options in the prior calendar quarter<sup>5</sup>. Newly listed option classes are excluded from the calculation of

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<sup>3</sup> There is no limit on the number of Trading Permits that may be issued by the Exchange; however, the Exchange has the authority to limit or decrease the number of Trading Permits it has determined to issue provided it complies with the provisions set forth in Rule 200(a) and Section 6(c)(4) of the Exchange Act. See 15 U.S.C. 78(f)(c)(4). For a complete description of MIAX Options Trading Permits, see MIAX Rule 200.

<sup>4</sup> See the Fee Schedule, Section 3)b).

<sup>5</sup> The Exchange will use the following formula to calculate the percentage of total national average daily volume that the Market Maker assignment is for purposes of the Market Maker trading permit fee for a given month:

the monthly Market Maker Trading Permit fee until the calendar quarter following their listing, at which time the newly listed option classes will be included in both the per class count and the percentage of total national average daily volume.

The Exchange assesses Market Makers the monthly Trading Permit fee based on the greatest number of classes listed on MIAX Options that the Market Maker was assigned to quote on any given day within a calendar month and the applicable fee rate that is the lesser of either the per class basis or percentage of total national average daily volume measurement. Members receiving Trading Permits during the month will be assessed Trading Permit fees according to this schedule, except that the calculation of the Trading Permit fee for the first month in which the Trading Permit is issued will be pro-rated based on the number of trading days occurring after the date on which the Trading Permit was in effect during that first month divided by the total number of trading days in such month multiplied by the monthly rate.

The Exchange now proposes to modify its Trading Permit fees that apply to the Market Makers who fall within the following Trading Permit fee levels, which represent the 3<sup>rd</sup> and 4<sup>th</sup> levels of the fee table: (i) Market Maker Assignments in up to 100 option classes or up to 50% of option classes by volume; and (ii) Market Maker Assignments in over 100 option classes or over 50% of option classes by volume up to all option classes listed on MIAX Options. Specifically, the Exchange proposes for these Monthly Trading Permit Fee levels, if the Market Maker's total monthly executed volume during the relevant month is less than 0.075% of the total monthly executed volume reported by OCC in the market maker account type for MIAX-listed option

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Market Maker assignment percentage of national average daily volume = [total volume during the prior calendar quarter in a class in which the Market Maker was assigned]/[total national volume in classes listed on MIAX Options in the prior calendar quarter]

classes for that month, then the fee will be \$15,500 instead of the fee otherwise applicable to such level.

The purpose of this proposed change is to provide a lower fixed cost to those Market Makers who are willing to quote the entire Exchange market (or substantial amount of the Exchange market), as objectively measured by either number of classes assigned or national ADV, but who do not otherwise execute a significant amount of volume on the Exchange. The Exchange believes that, by offering lower fixed costs to Market Makers that execute less volume, the Exchange will retain and attract smaller-scale Market Makers, which are an integral component of the option marketplace, but have been decreasing in number in recent years, due to industry consolidation and lower market maker profitability. Since these smaller-scale Market Makers utilize less Exchange capacity due to lower overall volume executed, the Exchange believes it is reasonable and equitable to offer such Market Makers a lower fixed cost. The Exchange notes that other options exchanges assess certain of their membership fees at different rates, based upon a member's participation on that exchange,<sup>6</sup> and, as such, this concept is not novel. The proposed changes to the Trading Permit fees for Market Makers who fall within the 3<sup>rd</sup> and 4<sup>th</sup> levels of the fee table are based upon a business determination of current Market Maker assignments and trading volume.

The Exchange also proposes to modify its MEI Port fees assessable to certain Market Makers. Currently, MIAX Options assesses monthly MEI Port fees on Market Makers based upon the number of classes or class volume accessed by the Market Maker. Market Makers are

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<sup>6</sup> Cboe BZX Options Exchange ("BZX Options") assesses the Participant Fee, which is a membership fee, according to a member's ADV. See Cboe BZX Options Exchange Fee Schedule under "Membership Fees". The Participant Fee is \$500 if the member ADV is under 5000 and \$1,000 if the member ADV is equal to or over 5000. Id.

allocated two (2) Full Service MEI Ports<sup>7</sup> and two (2) Limited Service MEI Ports per matching engine<sup>8</sup> to which they connect. The Exchange currently assesses the following MEI Port fees: (a) \$5,000 for Market Maker Assignments in up to 5 option classes or up to 10% of option classes by volume; (b) \$10,000 for Market Maker Assignments in up to 10 option classes or up to 20% of option classes by volume; (c) \$14,000 for Market Maker Assignments in up to 40 option classes or up to 35% of option classes by volume; (d) \$17,500 for Market Maker Assignments in up to 100 option classes or up to 50% of option classes by volume; and (e) \$20,500 for Market Maker Assignments in over 100 option classes or over 50% of option classes by volume up to all option classes listed on MIAX Options.<sup>9</sup> The Exchange also currently charges \$100 per month for each additional Limited Service MEI Port per matching engine for Market Makers over and above the two (2) Limited Service MEI Ports per matching engine that are allocated with the Full Service MEI Ports. The Full Service MEI Ports, Limited Service MEI Ports and the additional Limited Service MEI Ports all include access to the Exchange's Primary and Secondary data centers and its Disaster Recovery center. For the calculation of the monthly MEI Port fees that apply to Market Makers, the number of classes is defined as the greatest number of classes the Market Maker was assigned to quote in on any given day within the

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<sup>7</sup> Full Service MEI Ports provide Market Makers with the ability to send Market Maker quotes, eQuotes, and quote purge messages to the MIAX Options System. Full Service MEI Ports are also capable of receiving administrative information. Market Makers are limited to two Full Service MEI Ports per matching engine.

<sup>8</sup> A "matching engine" is a part of the MIAX Options electronic system that processes options quotes and trades on a symbol-by-symbol basis. Some matching engines will process option classes with multiple root symbols, and other matching engines will be dedicated to one single option root symbol (for example, options on SPY will be processed by one single matching engine that is dedicated only to SPY). A particular root symbol may only be assigned to a single designated matching engine. A particular root symbol may not be assigned to multiple matching engines.

<sup>9</sup> See the Fee Schedule, Section 5)d)ii).

calendar month and the class volume percentage is based on the total national average daily volume in classes listed on MIAX Options in the prior calendar quarter.<sup>10</sup> Newly listed option classes are excluded from the calculation of the monthly MEI Port fee until the calendar quarter following their listing, at which time the newly listed option classes will be included in both the per class count and the percentage of total national average daily volume.

The Exchange assesses Market Makers the monthly MEI Port fees based on the greatest number of classes listed on MIAX Options that the Market Maker was assigned to quote on any given day within a calendar month and the applicable fee rate that is the lesser of either the per class basis or percentage of total national average daily volume measurement.

The Exchange now proposes to modify its MEI Port fees that apply to the Market Makers who fall within the following MEI Port fee levels, which represent the 4<sup>th</sup> and 5<sup>th</sup> levels of the fee table: Market Makers who have (i) Assignments in up to 100 option classes or up to 50% of option classes by volume and (ii) Assignments in over 100 option classes or over 50% of option classes by volume up to all option classes listed on MIAX Options. Specifically, the Exchange proposes for these Monthly MEI Port Fee levels, if the Market Maker's total monthly executed volume during the relevant month is less than 0.075% of the total monthly executed volume reported by OCC in the market maker account type for MIAX-listed option classes for that month, then the fee will be \$14,500 instead of the fee otherwise applicable to such level.

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<sup>10</sup> The Exchange will use the following formula to calculate the percentage of total national average daily volume that the Market Maker assignment is for purposes of the MEI Port fee for a given month:

Market Maker assignment percentage of national average daily volume = [total volume during the prior calendar quarter in a class in which the Market Maker was assigned]/[total national volume in classes listed on MIAX Options in the prior calendar quarter]



The purpose of this proposed change is to provide a lower fixed cost to those Market Makers who are willing to quote the entire Exchange market (or substantial amount of the Exchange market), as objectively measured by either number of classes assigned or national ADV, but who do not otherwise execute a significant amount of volume on the Exchange. The Exchange believes that, by offering lower fixed costs to Market Makers that execute less volume, the Exchange will retain and attract smaller-scale Market Makers, which are an integral component of the option industry marketplace, but have been decreasing in number in recent years, due to industry consolidation and lower market maker profitability. Since these smaller-scale Market Makers utilize less Exchange capacity due to lower overall volume executed, the Exchange believes it is reasonable and appropriate to offer such Market Makers a lower fixed cost. The Exchange notes that other options exchanges assess certain of their membership fees at different rates, based upon a member's participation on that exchange,<sup>11</sup> and, as such, this concept is not novel. The proposed changes to the MEI Port fees for Market Makers who fall within the 4<sup>th</sup> and 5<sup>th</sup> levels of the fee table are based upon a business determination of current Market Maker assignments and trading volume.

The proposed rule changes are scheduled to become operative on March 1, 2018.

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<sup>11</sup> See *supra* note 6. Also, regarding port fees specifically, Nasdaq Phlx LLC ("Phlx") capped its Active SQF Port fee at \$500 per month for smaller member organizations that they defined as "Phlx Only Members" and that had "50 or less SQT assignments affiliated with their member organizations" so that "the Exchange may provide an equal opportunity to all members to access the Specialized Quote Fee ("SQF") data at a lower cost." See Securities Exchange Act Release No. 64381 (May 3, 2011), 76 FR 26777 (May 9, 2011)(SR-Phlx-2011-57). Phlx currently caps all Active SQF Port fees assessed to members at \$42,000 per month. See the Nasdaq Phlx LLC Pricing Schedule, Article VII, Section B. Phlx more recently capped the total fees assessable to PSX Participants at \$30,000 per month and stated as reasoning that "[t]he Exchange believes that the proposed fee cap will make PSX a more attractive venue for Participants, and help PSX both retain and attract new Participants." See Securities Exchange Act Release No. 78665 (August 24, 2016), 81 FR 59693 (August 30, 2016)(SR-Phlx-2016-85). See the Nasdaq Phlx LLC Pricing Schedule, Article VIII.

b. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act<sup>12</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>13</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among Exchange members and issuers and other persons using any facility or system which the Exchange operates or controls. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act<sup>14</sup> in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customer, issuers, brokers and dealers.

The Exchange believes that the proposed amendments to the Trading Permit fees are consistent with Section 6(b)(4) of the Act in that they are reasonable, equitable and not unfairly discriminatory. The proposed amendments to the Trading Permit fees are reasonable in that, by offering lower fixed costs to Market Makers that execute less volume, the Exchange will retain and attract smaller-scale Market Makers, which are an integral component of the option industry marketplace, but have been decreasing in number in recent years, due to industry consolidation and lower market maker profitability. Since these smaller-scale Market Makers utilize less Exchange capacity due to lower overall volume executed, the Exchange believes it is reasonable and appropriate to offer such Market Makers a lower fixed cost who are willing to quote the majority or entirety of the market. The Exchange also believes that its proposal is consistent

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<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(4).

<sup>14</sup> 15 U.S.C. 78f(b)(5).

with Section 6(b)(5) of the Act<sup>15</sup> because it will be uniformly applied to all Market Makers that execute less volume on the Exchange, as determined and measured by a uniform, objective, quantitative volume amount. The proposed Trading Permit fees are fair and equitable and not unreasonably discriminatory because they apply equally to all similarly situated Market Makers regardless of type and access to the Exchange is offered on terms that are not unfairly discriminatory.

The Exchange believes that the proposed amendments to the MEI Port fees are consistent with Section 6(b)(4) of the Act in that they are reasonable, equitable and not unfairly discriminatory. The proposed amendments to the MEI Port fees are reasonable in that, by offering lower fixed costs to Market Makers that execute less volume, the Exchange will retain and attract smaller-scale Market Makers, which are an integral component of the option industry marketplace, but have been decreasing in number in recent years, due to industry consolidation and lower market maker profitability. Since these smaller-scale Market Makers utilize less Exchange capacity due to lower overall volume executed, the Exchange believes it is reasonable and appropriate to offer such Market Makers (who are willing to quote the majority or entirety of the market) a lower fixed cost. The Exchange also believes that its proposal is consistent with Section 6(b)(5) of the Act<sup>16</sup> because it will be uniformly applied to all Market Makers that execute less volume on the Exchange, as determined and measured by a uniform, objective, quantitative volume amount. The proposed MEI Port fees are fair and equitable and not unreasonably discriminatory because they apply equally to all similarly situated Market Makers regardless of type and access to the Exchange is offered on terms that are not unfairly discriminatory.

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<sup>15</sup> 15 U.S.C. 78f(b)(5).

<sup>16</sup> 15 U.S.C. 78f(b)(5).

#### **4. Self-Regulatory Organization's Statement on Burden on Competition**

MIAX Options 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 believes that the proposed rule changes will increase both intermarket and intramarket competition by enabling smaller-scale Market Makers who are willing to quote the entire marketplace (or a substantial amount of the entire marketplace) to access the Exchange at a lower fixed cost. By offering lower fixed costs to Market Makers that execute less volume, the Exchange believes that it will retain and attract smaller-scale Market Makers, which are an integral component of the option industry marketplace, but have been decreasing in number in recent years, due to industry consolidation and lower market maker profitability. Since these smaller-scale Market Makers utilize less Exchange capacity due to lower overall volume executed, the Exchange believes it is reasonable and appropriate to offer such Market Makers a lower fixed cost.

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 to the Exchange. The Exchange believes that the proposed rule changes reflect this competitive environment because they modify the Exchange's fees in a manner that continues to encourage market participants to register as Market Makers on the Exchange, to provide liquidity and to attract order flow. To the extent that this purpose is achieved, all the Exchange's market participants should benefit from the improved market liquidity.

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

No written comments were either solicited or received.

6. **Extension of Time Period for Commission Action**

Not applicable.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>17</sup> and Rule 19b-4(f)(2) thereunder<sup>18</sup> the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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

The proposed rule changes are not based on rules of another self-regulatory organization or of the Commission. Other exchanges offer membership and port fees at different rates to their members based upon their participation on such exchange.<sup>19</sup>

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

Not applicable.

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

Not applicable.

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<sup>17</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>18</sup> 17 CFR 240.19b-4.

<sup>19</sup> See supra notes 6 and 11.

**11. Exhibits**

1. Notice of proposed rule for publication in the Federal Register.
5. Applicable Section of the MIAX Options Fee Schedule.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-MIAX-2018-08)

February \_\_, 2018

Self-Regulatory Organizations: 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”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 28, 2018, Miami International Securities Exchange LLC (“MIAX Options” 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/rule-filings>, at MIAX’s principal office, and at the Commission’s Public Reference Room.

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

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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 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 the Fee Schedule to modify certain aspects of the following fees that apply to MIAX Options Market Makers: (i) the Monthly Trading Permit fees; and (ii) the MEI Port fees.

The Exchange issues Trading Permits that confer the ability to transact on the Exchange.<sup>3</sup> Currently, the Exchange assesses the following monthly fees for MIAX Options Market Maker Trading Permits: (i) \$7,000 for Market Maker Assignments in up to 10 option classes or up to 20% of option classes by volume; (ii) \$12,000 for Market Maker Assignments in up to 40 option classes or up to 35% of option classes by volume; (iii) \$17,000 for Market Maker Assignments in up to 100 option classes or up to 50% of option classes by volume; and (iv) \$22,000.00 for Market Maker Assignments in over 100 option classes or over 50% of option classes by volume up to all option classes listed on MIAX Options.<sup>4</sup> For the calculation of these monthly Trading Permit fees, the number of classes is defined as the greatest number of classes the Market Maker was assigned to quote in on any given day within the calendar month and the class volume percentage is based on the total national average daily volume in classes listed on MIAX Options

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<sup>3</sup> There is no limit on the number of Trading Permits that may be issued by the Exchange; however, the Exchange has the authority to limit or decrease the number of Trading Permits it has determined to issue provided it complies with the provisions set forth in Rule 200(a) and Section 6(c)(4) of the Exchange Act. See 15 U.S.C. 78(f)(c)(4). For a complete description of MIAX Options Trading Permits, see MIAX Rule 200.

<sup>4</sup> See the Fee Schedule, Section 3)b).



in the prior calendar quarter<sup>5</sup>. Newly listed option classes are excluded from the calculation of the monthly Market Maker Trading Permit fee until the calendar quarter following their listing, at which time the newly listed option classes will be included in both the per class count and the percentage of total national average daily volume.

The Exchange assesses Market Makers the monthly Trading Permit fee based on the greatest number of classes listed on MIAX Options that the Market Maker was assigned to quote on any given day within a calendar month and the applicable fee rate that is the lesser of either the per class basis or percentage of total national average daily volume measurement. Members receiving Trading Permits during the month will be assessed Trading Permit fees according to this schedule, except that the calculation of the Trading Permit fee for the first month in which the Trading Permit is issued will be pro-rated based on the number of trading days occurring after the date on which the Trading Permit was in effect during that first month divided by the total number of trading days in such month multiplied by the monthly rate.

The Exchange now proposes to modify its Trading Permit fees that apply to the Market Makers who fall within the following Trading Permit fee levels, which represent the 3<sup>rd</sup> and 4<sup>th</sup> levels of the fee table: (i) Market Maker Assignments in up to 100 option classes or up to 50% of option classes by volume; and (ii) Market Maker Assignments in over 100 option classes or over 50% of option classes by volume up to all option classes listed on MIAX Options. Specifically, the Exchange proposes for these Monthly Trading Permit Fee levels, if the Market Maker's total monthly executed volume during the relevant month is less than 0.075% of the total monthly

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<sup>5</sup> The Exchange will use the following formula to calculate the percentage of total national average daily volume that the Market Maker assignment is for purposes of the Market Maker trading permit fee for a given month:

Market Maker assignment percentage of national average daily volume = [total volume during the prior calendar quarter in a class in which the Market Maker was assigned]/[total national volume in classes listed on MIAX Options in the prior calendar quarter]

executed volume reported by OCC in the market maker account type for MIAX-listed option classes for that month, then the fee will be \$15,500 instead of the fee otherwise applicable to such level.

The purpose of this proposed change is to provide a lower fixed cost to those Market Makers who are willing to quote the entire Exchange market (or substantial amount of the Exchange market), as objectively measured by either number of classes assigned or national ADV, but who do not otherwise execute a significant amount of volume on the Exchange. The Exchange believes that, by offering lower fixed costs to Market Makers that execute less volume, the Exchange will retain and attract smaller-scale Market Makers, which are an integral component of the option marketplace, but have been decreasing in number in recent years, due to industry consolidation and lower market maker profitability. Since these smaller-scale Market Makers utilize less Exchange capacity due to lower overall volume executed, the Exchange believes it is reasonable and equitable to offer such Market Makers a lower fixed cost. The Exchange notes that other options exchanges assess certain of their membership fees at different rates, based upon a member's participation on that exchange,<sup>6</sup> and, as such, this concept is not novel. The proposed changes to the Trading Permit fees for Market Makers who fall within the 3<sup>rd</sup> and 4<sup>th</sup> levels of the fee table are based upon a business determination of current Market Maker assignments and trading volume.

The Exchange also proposes to modify its MEI Port fees assessable to certain Market Makers. Currently, MIAX Options assesses monthly MEI Port fees on Market Makers based upon the number of classes or class volume accessed by the Market Maker. Market Makers are

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<sup>6</sup> Cboe BZX Options Exchange ("BZX Options") assesses the Participant Fee, which is a membership fee, according to a member's ADV. See Cboe BZX Options Exchange Fee Schedule under "Membership Fees". The Participant Fee is \$500 if the member ADV is under 5000 and \$1,000 if the member ADV is equal to or over 5000. Id.

allocated two (2) Full Service MEI Ports<sup>7</sup> and two (2) Limited Service MEI Ports per matching engine<sup>8</sup> to which they connect. The Exchange currently assesses the following MEI Port fees: (a) \$5,000 for Market Maker Assignments in up to 5 option classes or up to 10% of option classes by volume; (b) \$10,000 for Market Maker Assignments in up to 10 option classes or up to 20% of option classes by volume; (c) \$14,000 for Market Maker Assignments in up to 40 option classes or up to 35% of option classes by volume; (d) \$17,500 for Market Maker Assignments in up to 100 option classes or up to 50% of option classes by volume; and (e) \$20,500 for Market Maker Assignments in over 100 option classes or over 50% of option classes by volume up to all option classes listed on MIAX Options.<sup>9</sup> The Exchange also currently charges \$100 per month for each additional Limited Service MEI Port per matching engine for Market Makers over and above the two (2) Limited Service MEI Ports per matching engine that are allocated with the Full Service MEI Ports. The Full Service MEI Ports, Limited Service MEI Ports and the additional Limited Service MEI Ports all include access to the Exchange's Primary and Secondary data centers and its Disaster Recovery center. For the calculation of the monthly MEI Port fees that apply to Market Makers, the number of classes is defined as the greatest number of classes the Market Maker was assigned to quote in on any given day within the calendar month and the class volume percentage is based on the total national average daily

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<sup>7</sup> Full Service MEI Ports provide Market Makers with the ability to send Market Maker quotes, eQuotes, and quote purge messages to the MIAX Options System. Full Service MEI Ports are also capable of receiving administrative information. Market Makers are limited to two Full Service MEI Ports per matching engine.

<sup>8</sup> A "matching engine" is a part of the MIAX Options electronic system that processes options quotes and trades on a symbol-by-symbol basis. Some matching engines will process option classes with multiple root symbols, and other matching engines will be dedicated to one single option root symbol (for example, options on SPY will be processed by one single matching engine that is dedicated only to SPY). A particular root symbol may only be assigned to a single designated matching engine. A particular root symbol may not be assigned to multiple matching engines.

<sup>9</sup> See the Fee Schedule, Section 5)d)ii).

volume in classes listed on MIAX Options in the prior calendar quarter.<sup>10</sup> Newly listed option classes are excluded from the calculation of the monthly MEI Port fee until the calendar quarter following their listing, at which time the newly listed option classes will be included in both the per class count and the percentage of total national average daily volume.

The Exchange assesses Market Makers the monthly MEI Port fees based on the greatest number of classes listed on MIAX Options that the Market Maker was assigned to quote on any given day within a calendar month and the applicable fee rate that is the lesser of either the per class basis or percentage of total national average daily volume measurement.

The Exchange now proposes to modify its MEI Port fees that apply to the Market Makers who fall within the following MEI Port fee levels, which represent the 4<sup>th</sup> and 5<sup>th</sup> levels of the fee table: Market Makers who have (i) Assignments in up to 100 option classes or up to 50% of option classes by volume and (ii) Assignments in over 100 option classes or over 50% of option classes by volume up to all option classes listed on MIAX Options. Specifically, the Exchange proposes for these Monthly MEI Port Fee levels, if the Market Maker's total monthly executed volume during the relevant month is less than 0.075% of the total monthly executed volume reported by OCC in the market maker account type for MIAX-listed option classes for that month, then the fee will be \$14,500 instead of the fee otherwise applicable to such level.

The purpose of this proposed change is to provide a lower fixed cost to those Market Makers who are willing to quote the entire Exchange market (or substantial amount of the Exchange market), as objectively measured by either number of classes assigned or national

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<sup>10</sup> The Exchange will use the following formula to calculate the percentage of total national average daily volume that the Market Maker assignment is for purposes of the MEI Port fee for a given month:

Market Maker assignment percentage of national average daily volume = [total volume during the prior calendar quarter in a class in which the Market Maker was assigned]/[total national volume in classes listed on MIAX Options in the prior calendar quarter]

ADV, but who do not otherwise execute a significant amount of volume on the Exchange. The Exchange believes that, by offering lower fixed costs to Market Makers that execute less volume, the Exchange will retain and attract smaller-scale Market Makers, which are an integral component of the option industry marketplace, but have been decreasing in number in recent years, due to industry consolidation and lower market maker profitability. Since these smaller-scale Market Makers utilize less Exchange capacity due to lower overall volume executed, the Exchange believes it is reasonable and appropriate to offer such Market Makers a lower fixed cost. The Exchange notes that other options exchanges assess certain of their membership fees at different rates, based upon a member's participation on that exchange,<sup>11</sup> and, as such, this concept is not novel. The proposed changes to the MEI Port fees for Market Makers who fall within the 4<sup>th</sup> and 5<sup>th</sup> levels of the fee table are based upon a business determination of current Market Maker assignments and trading volume.

The proposed rule changes are scheduled to become operative on March 1, 2018.

2. Statutory Basis

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<sup>11</sup> See supra note 6. Also, regarding port fees specifically, Nasdaq Phlx LLC ("Phlx") capped its Active SQF Port fee at \$500 per month for smaller member organizations that they defined as "Phlx Only Members" and that had "50 or less SQT assignments affiliated with their member organizations" so that "the Exchange may provide an equal opportunity to all members to access the Specialized Quote Fee ("SQF") data at a lower cost." See Securities Exchange Act Release No. 64381 (May 3, 2011), 76 FR 26777 (May 9, 2011)(SR-Phlx-2011-57). Phlx currently caps all Active SQF Port fees assessed to members at \$42,000 per month. See the Nasdaq Phlx LLC Pricing Schedule, Article VII, Section B. Phlx more recently capped the total fees assessable to PSX Participants at \$30,000 per month and stated as reasoning that "[t]he Exchange believes that the proposed fee cap will make PSX a more attractive venue for Participants, and help PSX both retain and attract new Participants." See Securities Exchange Act Release No. 78665 (August 24, 2016), 81 FR 59693 (August 30, 2016)(SR-Phlx-2016-85). See the Nasdaq Phlx LLC Pricing Schedule, Article VIII.

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act<sup>12</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>13</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among Exchange members and issuers and other persons using any facility or system which the Exchange operates or controls. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act<sup>14</sup> in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customer, issuers, brokers and dealers.

The Exchange believes that the proposed amendments to the Trading Permit fees are consistent with Section 6(b)(4) of the Act in that they are reasonable, equitable and not unfairly discriminatory. The proposed amendments to the Trading Permit fees are reasonable in that, by offering lower fixed costs to Market Makers that execute less volume, the Exchange will retain and attract smaller-scale Market Makers, which are an integral component of the option industry marketplace, but have been decreasing in number in recent years, due to industry consolidation and lower market maker profitability. Since these smaller-scale Market Makers utilize less Exchange capacity due to lower overall volume executed, the Exchange believes it is reasonable and appropriate to offer such Market Makers a lower fixed cost who are willing to quote the majority or entirety of the market. The Exchange also believes that its proposal is consistent

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<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(4).

<sup>14</sup> 15 U.S.C. 78f(b)(5).

with Section 6(b)(5) of the Act<sup>15</sup> because it will be uniformly applied to all Market Makers that execute less volume on the Exchange, as determined and measured by a uniform, objective, quantitative volume amount. The proposed Trading Permit fees are fair and equitable and not unreasonably discriminatory because they apply equally to all similarly situated Market Makers regardless of type and access to the Exchange is offered on terms that are not unfairly discriminatory.

The Exchange believes that the proposed amendments to the MEI Port fees are consistent with Section 6(b)(4) of the Act in that they are reasonable, equitable and not unfairly discriminatory. The proposed amendments to the MEI Port fees are reasonable in that, by offering lower fixed costs to Market Makers that execute less volume, the Exchange will retain and attract smaller-scale Market Makers, which are an integral component of the option industry marketplace, but have been decreasing in number in recent years, due to industry consolidation and lower market maker profitability. Since these smaller-scale Market Makers utilize less Exchange capacity due to lower overall volume executed, the Exchange believes it is reasonable and appropriate to offer such Market Makers (who are willing to quote the majority or entirety of the market) a lower fixed cost. The Exchange also believes that its proposal is consistent with Section 6(b)(5) of the Act<sup>16</sup> because it will be uniformly applied to all Market Makers that execute less volume on the Exchange, as determined and measured by a uniform, objective, quantitative volume amount. The proposed MEI Port fees are fair and equitable and not unreasonably discriminatory because they apply equally to all similarly situated Market Makers regardless of type and access to the Exchange is offered on terms that are not unfairly discriminatory.

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<sup>15</sup> 15 U.S.C. 78f(b)(5).

<sup>16</sup> 15 U.S.C. 78f(b)(5).

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 believes that the proposed rule changes will increase both intermarket and intramarket competition by enabling smaller-scale Market Makers who are willing to quote the entire marketplace (or a substantial amount of the entire marketplace) to access the Exchange at a lower fixed cost. By offering lower fixed costs to Market Makers that execute less volume, the Exchange believes that it will retain and attract smaller-scale Market Makers, which are an integral component of the option industry marketplace, but have been decreasing in number in recent years, due to industry consolidation and lower market maker profitability. Since these smaller-scale Market Makers utilize less Exchange capacity due to lower overall volume executed, the Exchange believes it is reasonable and appropriate to offer such Market Makers a lower fixed cost.

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 to the Exchange. The Exchange believes that the proposed rule changes reflect this competitive environment because they modify the Exchange's fees in a manner that continues to encourage market participants to register as Market Makers on the Exchange, to provide liquidity and to attract order flow. To the extent that this purpose is achieved, all the Exchange's market participants should benefit from the improved market liquidity.

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,<sup>17</sup> and Rule 19b-4(f)(2)<sup>18</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

#### Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);

or

- Send an e-mail [to rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-

MIAX-2018-08 on the subject line.

#### Paper comments:

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<sup>17</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>18</sup> 17 CFR 240.19b-4(f)(2).

- 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-2018-08. 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-MIAX-2018-08 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.<sup>19</sup>

Brent J. Fields  
Secretary

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<sup>19</sup> 17 CFR 200.30-3(a)(12).

**Exhibit 5**

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

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## MIAX Options Fee Schedule

**1) – 2) No change.**

**3) Membership Fees**

**a) No change.**

**b) Monthly Trading Permit Fee**

MIAX will issue Trading Permits<sup>19</sup> to Members that confer the ability to transact on MIAX. Members receiving Trading Permits during a particular calendar month will be assessed Trading Permit Fees according to the schedules below.

Type of Trading Permit	Monthly MIAX Trading Permit Fee
Electronic Exchange Member	\$1,500.00

Monthly Trading Permit Fees will be assessed with respect to EEMs (other than Clearing Firms) in any month the EEM is certified in the membership system and the EEM is credentialed to use one or more FIX Ports in the production environment.

Monthly Trading Permit Fees will be assessed with respect to EEM-Clearing Firms in any month the Clearing Firm is certified in the membership system to clear transactions on the Exchange.

Monthly Trading Permit Fees will be assessed with respect to Market Makers in any month the Market Maker is certified in the membership system, is credentialed to use one or more MEI Ports in the production environment and is assigned to quote in one or more classes.

Notwithstanding the foregoing, the calculation of the Trading Permit Fee for the first month in which the Trading Permit is issued will be pro-rated based on the number of trading days on which the Trading Permit was in effect divided by the total number of trading days in that month multiplied by the monthly rate.

<sup>19</sup> For a complete description of MIAX Trading Permits, see MIAX Rule 200

Type of Trading Permit	Monthly MIAX Trading Permit Fee	Market Maker Assignments (the lesser of the applicable measurements below)	
		Per Class	% of National Average Daily Volume
Market Maker (includes RMM, LMM, PLMM)	\$7,000.00	Up to 10 Classes	Up to 20% of Classes by volume
	\$12,000.00	Up to 40 Classes	Up to 35% of Classes by volume
	\$17,000.00*	Up to 100 Classes	Up to 50% of Classes by volume
	\$22,000.00*	Over 100 Classes	Over 50% of Classes by volume up to all Classes listed on MIAX

\* For these Monthly MIAX Trading Permit Fee levels, if the Market Maker's total monthly executed volume during the relevant month is less than 0.075% of the total monthly executed volume reported by OCC in the market maker account type for MIAX-listed option classes for that month, then the fee will be \$15,500 instead of the fee otherwise applicable to such level.

For the calculation of the monthly Market Maker Trading Permit Fees, the number of classes is defined as the greatest number of classes the Market Maker was assigned to quote in on any given day within the calendar month and the class volume percentage is based on the total national average daily volume in classes listed on MIAX in the prior calendar quarter. Newly listed option classes are excluded from the calculation of the monthly Market Maker Trading Permit Fee until the calendar quarter following their listing, at which time the newly listed option classes will be included in both the per class count and the percentage of total national average daily volume. The Exchange will assess MIAX Market Makers the monthly Market Maker Trading Permit Fee based on the greatest number of classes listed on MIAX that the MIAX Market Maker was assigned to quote in on any given day within a calendar month and the applicable fee rate that is the lesser of either the per class basis or percentage of total national average daily volume measurement. For example, if Market Maker 1 elects to quote the top 40 option classes which consist of 58% of the total national average daily volume in the prior calendar quarter, the Exchange would assess \$12,000 to Market Maker 1 for the month which is the lesser of 'up to 40 classes' and 'over 50% of classes by volume up to all classes listed on MIAX'. If Market Maker 2 elects to quote the bottom 1000 option classes which consist of 10% of the total national average daily volume in the prior quarter, the Exchange would assess \$7,000 to Market Maker 2 for the month which is the lesser of 'over 100 classes' and 'up to 20% of classes by volume'.

#### 4) No change.

#### 5) System Connectivity Fees

a) – c) No change.

d) Port Fees

i) No change.

**ii) MEI Port Fees**

Monthly MIAX MEI Fees	Market Maker Assignments (the lesser of the applicable measurements below)	
	Per Class	% of National Average Daily Volume
\$5,000.00	Up to 5 Classes	Up to 10% of Classes by volume
\$10,000.00	Up to 10 Classes	Up to 20% of Classes by volume
\$14,000.00	Up to 40 Classes	Up to 35% of Classes by volume
\$17,500.00*	Up to 100 Classes	Up to 50% of Classes by volume
\$20,500.00 *	Over 100 Classes	Over 50% of Classes by volume up to all Classes listed on MIAX

\* For these Monthly MIAX MEI Fee levels, if the Market Maker's total monthly executed volume during the relevant month is less than 0.075% of the total monthly executed volume reported by OCC in the market maker account type for MIAX-listed option classes for that month, then the fee will be \$14,500 instead of the fee otherwise applicable to such level.

MIAX will assess monthly MIAX Express Interface ("MEI")<sup>26</sup> Port Fees on Market Makers in each month the Member has been credentialed to use the MEI Port in the production environment and has been assigned to quote in at least one class. The amount of the monthly MEI Port Fee will be based upon the number of classes in which the Market Maker was assigned to quote on any given day within the calendar month, and upon the class volume percentages set forth in the above table. The class volume percentage is based on the total national average daily volume in classes listed on MIAX in the prior calendar quarter. Newly listed option classes are excluded from the calculation of the monthly MEI Port Fee until the calendar quarter following their listing, at which time the newly listed option classes will be included in both the per class count and the percentage of total national average daily volume. The Exchange will assess MIAX Market Makers the monthly MEI Port Fee based on the greatest number of classes listed on MIAX that the MIAX Market Maker was assigned to quote in on any given day within a calendar month and the applicable fee rate that is the lesser of either the per class basis or percentage of total national average daily volume measurement. For example, if Market Maker 1 elects to quote the top 40 option classes which consist of 58% of the total national average daily volume in the prior calendar quarter, the Exchange would assess \$14,000 to Market Maker 1 for the month which is the lesser of 'up to 40 classes' and 'over 50% of classes by volume up to all classes listed on MIAX'. If Market Maker 2 elects to quote the bottom 1000 option classes which consist of 10% of the total national average daily volume in the prior quarter, the Exchange would assess \$5,000 to Market Maker 2 for the month which is the lesser of 'over 100 classes' and 'up to 10% of classes by volume'.

<sup>26</sup> MIAX Express Interface is a connection to MIAX systems that enables Market Makers to submit simple and complex electronic quotes to MIAX.

MEI Port users will be allocated two (2) Full Service MEI Ports<sup>27</sup> and two (2) Limited Service MEI Ports<sup>28</sup> per matching engine<sup>29</sup> to which they connect. MEI Port Fees include MEI Ports at the Primary, Secondary and Disaster Recovery data centers. MIAX Market Makers may request additional Limited Service MEI Ports for which MIAX will assess MIAX Market Makers \$100 per month per additional Limited Service MEI Port for each engine.<sup>30</sup>

A MIAX Market Maker may request and be allocated two (2) Purge Ports<sup>31</sup> per matching engine to which it connects via a Full Service MEI Port. For each month in which the MIAX Market Maker has been credentialed to use Purge Ports in the production environment and has been assigned to quote in at least one class, the Exchange will assess the MIAX Market Maker a flat fee of \$1,500 per month, regardless of the number of Purge Ports allocated to the MIAX Market Maker.

**iii)– iv) No change.**

**e) – f) No change.**

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<sup>27</sup> Full Service MEI Ports provide Market Makers with the ability to send Market Maker simple and complex quotes, eQuotes, and quote purge messages to the MIAX System. Full Service MEI Ports are also capable of receiving administrative information. Market Makers are limited to two Full Service MEI Ports per matching engine.

<sup>28</sup> Limited Service MEI Ports provide Market Makers with the ability to send simple and complex eQuotes and quote purge messages only, but not Market Maker Quotes, to the MIAX System. Limited Service MEI Ports are also capable of receiving administrative information. Market Makers initially receive two Limited Service MEI Ports per matching engine.

<sup>29</sup> A “matching engine” is a part of the MIAX electronic system that processes options quotes and trades on a symbol-by- symbol basis. Some matching engines will process option classes with multiple root symbols, and other matching engines will be dedicated to one single option root symbol (for example, options on SPY will be processed by one single matching engine that is dedicated only to SPY). A particular root symbol may only be assigned to a single designated matching engine. A particular root symbol may not be assigned to multiple matching engines.

<sup>30</sup> Market Makers are limited to six additional Limited Service MEI Ports per matching engine, for a total of eight per matching engine.

<sup>31</sup> Purge Ports provide Market Makers with the ability to send quote purge messages to the MIAX System. Purge Ports are not capable of sending or receiving any other type of messages or information.