

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 32	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2018 - * 21 Amendment No. (req. for Amendments *)
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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"/>
Pilot <input type="checkbox"/>			Rule		
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 type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

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

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 * Joseph Last Name * Ferraro
 Title * Senior Vice President and Deputy General Counsel
 E-mail * jferraro@miami-holdings.com
 Telephone * (609) 897-8492 Fax

Signature

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

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

(Title *) Senior Vice President and Deputy General Counsel

Date 07/31/2018
 By Joseph W. Ferraro III (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.

jferraro@miami-holdings.com

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 *

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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 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”)¹ and Rule 19b-4 thereunder,² 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 MIAX Options 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 senior management of the Exchange pursuant to authority delegated 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.

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 Market Maker Sliding Scale (defined below) contained in its Fee Schedule, and assessed to MIAX Options Market Makers,³ to (i) modify certain

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The term “Market Makers” refers to Lead Market Makers (“LMMs”), Primary Lead Market Makers (“PLMMs”), and Registered Market makers (“RMMs”) collectively. See Exchange Rule 100. A Directed Order Lead Market Maker (“DLMM”) and Directed Primary Lead

volume thresholds, and (ii) increase certain Maker (as defined below) fees in certain Tiers for options transactions in Penny classes (as defined below) executed in the simple order book.

Section 1)a)i) of the Fee Schedule sets forth the Exchange's Market Maker Sliding Scale for Market Maker Transaction Fees (the "Sliding Scale"). The Sliding Scale assesses a per contract transaction fee on a Market Maker for the execution of simple orders and quotes (collectively, "simple orders") and complex orders and quotes (collectively, "complex orders"). The percentage threshold by tier is based on the Market Maker's percentage of total national market maker volume in all options classes that trade on the Exchange during a particular calendar month, or total aggregated volume ("TAV"), and the Exchange aggregates the volume executed by Market Makers in both simple orders and complex orders for purposes of determining the applicable tier and corresponding per contract transaction fee amount.⁴ The Sliding Scale applies to all MIAX Options Market Makers for transactions in all products (except for mini-options, for which there are separate product fees), with fees established for standard option classes in the Penny Pilot Program⁵ ("Penny classes") and separate fees for standard option classes which are not in the Penny Pilot Program ("non-Penny classes"), and further based on whether the Market Maker is acting as a "Maker" or a

Market Maker ("DPLMM") is a party to a transaction being allocated to the LMM or PLMM and is the result of an order that has been directed to the LMM or PLMM. See Fee Schedule, note 2.

⁴ The calculation of the volume thresholds does not include QCC and cQCC Orders, PRIME and cPRIME AOC Responses, and unrelated MIAX Market Maker quotes or unrelated MIAX Market Maker orders that are received during the Response Time Interval and executed against the PRIME Order ("PRIME Participating Quotes or Orders") and unrelated MIAX Market Maker complex quotes or unrelated MIAX Market Maker complex orders that are received during the Response Time Interval and executed against a cPRIME Order ("cPRIME Participating Quote or Order") (herein "Excluded Contracts"). See Fee Schedule, page 2.

⁵ See Securities Exchange Act Release No. 83515 (June 25, 2018), 83 FR 30786 (June 29, 2018)(SR-MIAX-2018-12).

“Taker” in simple orders.⁶ Market Makers that place resting liquidity, i.e., quotes or orders on the MIAX Options System,⁷ are assessed the “maker” fee (each a “Maker”). Market Makers that execute against (remove) resting liquidity are assessed a higher “taker” fee (each a “Taker”). This is distinguished from traditional “maker-taker” models where “makers” typically receive a rebate and “takers” are assessed a fee; the Exchange instead assesses lower transaction fees to “makers” as compared to “takers,” similar to the manner implemented at other exchanges.⁸

Further, the Exchange provides certain discounted Market Maker transaction fees for Members⁹ and their qualified Affiliates¹⁰ that achieve certain volume thresholds through the

⁶ See Securities Exchange Act Release No. 78519 (August 9, 2016), 81 FR 54162 (August 15, 2016)(SR-MIAX-2016-21).

⁷ The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

⁸ The Exchange notes that similar maker-taker pricing is implemented at Nasdaq ISE, LLC (“ISE”). See Nasdaq ISE Fee Schedule, Section I Regular Order Fees and Rebates.

⁹ The term “Member” means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

¹⁰ For purposes of the MIAX Options Fee Schedule, the term “Affiliate” means (i) an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm’s Form BD, Schedule A, (“Affiliate”), or (ii) the Appointed Market Maker of an Appointed EEM (or, conversely, the Appointed EEM of an Appointed Market Maker). An “Appointed Market Maker” is a MIAX Market Maker (who does not otherwise have a corporate affiliation based upon common ownership with an EEM) that has been appointed by an EEM and an “Appointed EEM” is an EEM (who does not otherwise have a corporate affiliation based upon common ownership with a MIAX Market Maker) that has been appointed by a MIAX Market Maker, pursuant to the following process. A MIAX Market Maker appoints an EEM and an EEM appoints a MIAX Market Maker, for the purposes of the Fee Schedule, by each completing and sending an executed Volume Aggregation Request Form by email to membership@miaxoptions.com no later than 2 business days prior to the first business day of the month in which the designation is to become effective. Transmittal of a validly completed and executed form to the Exchange along with the Exchange’s acknowledgement of the effective designation to each of the Market Maker and EEM will be viewed as acceptance of the appointment. The Exchange will only recognize one designation per Member. A Member may make a designation not more than once every 12 months (from the date of its most recent designation), which designation shall remain in effect unless or until the Exchange receives written notice submitted 2 business days prior to the first business day of the month from either Member indicating that the appointment has

submission of Priority Customer¹¹ orders under the Exchange's Priority Customer Rebate Program ("PCR"),¹² which is set forth on two tables: one setting forth the transaction fees applicable to Members and their Affiliates that are in PCR Volume Tier 3 or higher; and the other setting forth the transaction fees applicable to Members and their Affiliates that are not in PCR Volume Tier 3 or higher. The Sliding Scale also includes Maker and Taker fees in both tables in each Tier for simple orders in Penny classes and non-Penny classes where the fees are discounted/differentiated between the tables.

The current Sliding Scale tables are as follows:

been terminated. Designations will become operative on the first business day of the effective month and may not be terminated prior to the end of the month. Execution data and reports will be provided to both parties. See Fee Schedule, note 1.

¹¹ The term "Priority Customer" means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). A "Priority Customer Order" means an order for the account of a Priority Customer. See Exchange Rule 100.

¹² Under the PCR, MIA Options credits each Member the per contract amount resulting from each Priority Customer order transmitted by that Member which is executed electronically on the Exchange in all multiply-listed option classes (excluding, in simple or complex as applicable, QCC and cQCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, C2C and cC2C Orders, PRIME and cPRIME AOC Responses, PRIME and cPRIME Contra-side Orders, PRIME and cPRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in Exchange Rule 1400), provided the Member meets certain percentage thresholds in a month as described in the Priority Customer Rebate Program table. See Fee Schedule, Section 1)a)iii.

Members and Their Affiliates In Priority Customer Rebate Program Volume Tier 3 or Higher									
	Tier	Percentage Thresholds	Simple				Complex		
			Per Contract Fee For Penny Classes		Per Contract Fee For Non- Penny Classes		Per Contract Fee for Penny Classes	Per Contract Fee for Non- Penny Classes	Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes
			Maker	Taker	Maker	Taker			
All MIAX Market Makers	1	0.00% - 0.075%	\$0.21	\$0.23	\$0.25	\$0.30	\$0.25	\$0.29	\$0.10
	2	Above 0.075% - 0.60%	\$0.15	\$0.22	\$0.19	\$0.27	\$0.19	\$0.23	\$0.10
	3	Above 0.60% - 1.00%	\$0.08	\$0.19	\$0.12	\$0.23	\$0.12	\$0.16	\$0.10
	4	Above 1.00% - 1.50%	\$0.04	\$0.18	\$0.08	\$0.22	\$0.07	\$0.11	\$0.10
	5	Above 1.50%	\$0.02	\$0.17	\$0.06	\$0.21	\$0.05	\$0.09	\$0.10

Members and Their Affiliates Not In Priority Customer Rebate Program Volume Tier 3 or Higher									
	Tier	Percentage Thresholds	Simple				Complex		
			Per Contract Fee For Penny Classes		Per Contract Fee For Non- Penny Classes		Per Contract Fee for Penny Classes	Per Contract Fee for Non- Penny Classes	Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes
			Maker	Taker	Maker	Taker			
All MIAX Market Makers	1	0.00% - 0.075%	\$0.23	\$0.25	\$0.27	\$0.32	\$0.25	\$0.29	\$0.10
	2	Above 0.075% - 0.60%	\$0.17	\$0.24	\$0.21	\$0.29	\$0.19	\$0.23	\$0.10
	3	Above 0.60% - 1.00%	\$0.10	\$0.21	\$0.14	\$0.25	\$0.12	\$0.16	\$0.10
	4	Above 1.00% - 1.50%	\$0.06	\$0.20	\$0.10	\$0.24	\$0.07	\$0.11	\$0.10
	5	Above 1.50%	\$0.04	\$0.19	\$0.08	\$0.23	\$0.05	\$0.09	\$0.10

First, the Exchange proposes to modify the monthly volume thresholds in the Market Maker Sliding Scale in both the table setting forth the transaction fees applicable to Members and their Affiliates that are in PCR Volume Tier 3 or higher; and in the second table setting forth the transaction fees applicable to Members and their Affiliates that are not in PCR Volume Tier 3 or higher. Specifically, the Exchange proposes to adjust the percentage threshold of Tier 2 from above 0.075% up to 0.60% of the total monthly volume executed by the Member on MIAX Options, not including Excluded Contracts, divided by the TAV, to become above 0.075% up to 0.70% of the total monthly volume executed by the Member on MIAX Options, not including Excluded Contracts, divided by the TAV. The Exchange proposes to adjust the percentage threshold of Tier 3 from above 0.60% up to 1.00% of the total monthly volume executed by the Member on MIAX Options, not including Excluded Contracts, divided by the TAV, to become above 0.70% up to 1.10% of the total monthly volume executed by the Member on MIAX, not including Excluded Contracts, divided by the TAV. The Exchange proposes to adjust the percentage threshold of Tier 4 from above 1.00% up to 1.50% of the total monthly volume executed by the Member on MIAX Options, not including Excluded Contracts, divided by the TAV, to become above 1.10% up to 1.50% of the total monthly volume executed by the Member on MIAX Options, not including Excluded Contracts, divided by the TAV. The Exchange does not propose any adjustment to the percentage thresholds of Tier 1 or Tier 5.

Second, the Exchange proposes to increase the Maker fees in the Market Maker Sliding Scale, in Tiers 2, 3, 4 and 5 for Penny classes, for Members and their Affiliates that are in PCR Volume Tier 3 or higher and also for Members and their Affiliates not in PCR Volume Tier 3 or higher. For options transactions in Penny classes by Members and their Affiliates that are in PCR Volume Tier 3 or higher, the Exchange proposes to increase the Maker fee in Tier 2 from \$0.15 to \$0.16, in Tier 3 from \$0.08 to \$0.10, in Tier 4 from \$0.04 to \$0.05 and in Tier 5 from \$0.02 to

\$0.03. For options transactions in Penny classes by Members and their Affiliates that are not in PCRP Volume Tier 3 or higher, the Exchange proposes to increase the Maker fee in Tier 2 from \$0.17 to \$0.18, in Tier 3 from \$0.10 to \$0.12, in Tier 4 from \$0.06 to \$0.07 and in Tier 5 from \$0.04 to \$0.05.

With all proposed changes Section 1)a)i of the Fee Schedule shall be the following:

Members and Their Affiliates In Priority Customer Rebate Program Volume Tier 3 or Higher									
	Tier	Percentage Thresholds	Simple				Complex		
			Per Contract Fee For Penny Classes		Per Contract Fee For Non-Penny Classes		Per Contract Fee for Penny Classes	Per Contract Fee for Non- Penny Classes	Per Contract Surcharge for Trading Against a Priority Customer Complex Order for Penny and Non-Penny Classes
			Maker*	Taker	Maker*	Taker			
All MIAX Market Makers	1	0.00% - 0.075%	\$0.21	\$0.23	\$0.25	\$0.30	\$0.25	\$0.32	\$0.12
	2	Above 0.075% - 0.70%	\$0.16	\$0.22	\$0.19	\$0.27	\$0.24	\$0.29	\$0.12
	3	Above 0.70% - 1.10%	\$0.10	\$0.19	\$0.12	\$0.23	\$0.21	\$0.25	\$0.12
	4	Above 1.10% - 1.50%	\$0.05	\$0.18	\$0.08	\$0.22	\$0.20	\$0.24	\$0.12
	5	Above 1.50%	\$0.03	\$0.17	\$0.06	\$0.21	\$0.19	\$0.23	\$0.12

Members and Their Affiliates Not In Priority Customer Rebate Program Volume Tier 3 or Higher									
	Tier	Percentage Thresholds	Simple				Complex		
			Per Contract Fee For Penny Classes		Per Contract Fee For Non-Penny Classes		Per Contract Fee for Penny Classes	Per Contract Fee for Non- Penny Classes	Per Contract Surcharge for Trading Against a Priority Customer Complex Order for Penny and Non-Penny Classes
			Maker*	Taker	Maker*	Taker			
All MIAX Market Makers	1	0.00% - 0.075%	\$0.23	\$0.25	\$0.27	\$0.32	\$0.25	\$0.32	\$0.12
	2	Above 0.075% - 0.70%	\$0.18	\$0.24	\$0.21	\$0.29	\$0.24	\$0.29	\$0.12
	3	Above 0.70% - 1.10%	\$0.12	\$0.21	\$0.14	\$0.25	\$0.21	\$0.25	\$0.12
	4	Above 1.10% - 1.50%	\$0.07	\$0.20	\$0.10	\$0.24	\$0.20	\$0.24	\$0.12
	5	Above 1.50%	\$0.05	\$0.19	\$0.08	\$0.23	\$0.19	\$0.23	\$0.12

The proposed rule change is scheduled to become operative August 1, 2018.

b. Statutory Basis

The Exchange believes that its proposal to amend its fee schedule is consistent with Section 6(b) of the Act¹³ in general, and furthers the objectives of Section 6(b)(4) of the Act,¹⁴ in that it is an equitable allocation of reasonable dues, fees and other charges among Exchange members and issuers and other persons using its facilities. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act,¹⁵ in that it is designed to prevent fraudulent and

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ 15 U.S.C. 78f (b)(5).

manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest and is not designed to permit unfair discrimination between customer, issuers, brokers and dealers.

The Exchange believes that the proposed changes to the Tier percentage thresholds in the Market Maker Sliding Scale are consistent with Section 6(b)(4) and 6(b)(5) of the Act in that they are fair, equitable and not unfairly discriminatory because they apply equally to all MIAX Options Market Makers. All MIAX Options Market Makers are subject to the same fee schedule, and access to the Exchange is offered on terms that are not unfairly discriminatory.

The Exchange believes that the proposed changes to the Tier percentage thresholds in the Market Maker Sliding Scale are consistent with Section 6(b)(5) of the Act in that they promote equitable access to the Exchange for all market participants. To the extent that MIAX Options Market Maker volume is increased by the proposal, market participants will increasingly compete for the opportunity to trade on the Exchange including sending more orders and quotes to the Exchange. The resulting increased volume and liquidity will benefit all Exchange participants by providing more trading opportunities and tighter spreads.

The specific percentage thresholds of the Tiers for Market Makers as well as the fees are set based upon business determinations and an analysis of current volume levels. The Exchange believes that the proposed Maker fees are generally within the range of fees at other exchanges that have a comparable pricing structure.¹⁶ The percentage thresholds are intended to continue to

¹⁶ See NYSE American LLC (“NYSE American”) Fee Schedule, p. 11. The NYSE American Market Maker Sliding Scale Tier 1 percentage threshold is from 0.00% to 0.20%, with a per contract non-take volume fee of \$0.25 and a per contract take volume fee of \$0.25, the Tier 2 percentage threshold is from greater than 0.20% to 0.65%, with a per contract non-take volume fee of \$0.22 and a per contract take volume fee of \$0.24, the Tier 3 percentage

incentivize MIAX Options Market Makers to increase the number of orders and quotes they send to the Exchange so that they can achieve the next threshold, and to encourage all market participants to send more orders and quotes as well. Increasing the number of orders and quotes sent to the Exchange will in turn provide tighter and more liquid markets, and therefore attract more business overall. Similarly, the different fees at the different Tier levels are based on an analysis of current revenue and volume levels and are intended to provide continued incentives to MIAX Options Market Makers to increase the volume of orders and quotes sent to, and contracts executed on, the Exchange. The specific volume thresholds of the Tiers and rates are set in order to encourage MIAX Options Market Makers to continue to reach for higher tiers.

The proposed Maker fee increases in Penny Classes for simple orders in the specified Tiers is reasonable, equitable and not unfairly discriminatory because all similarly situated MIAX Options Market Makers are subject to the same tiered fees and access to the Exchange is offered on terms that are not unfairly discriminatory. For competitive and business reasons, the Exchange has kept its Maker fees for simple orders in Penny Classes lower than certain other options exchanges that operate comparable pricing models.¹⁷ The Exchange now believes that it is appropriate to increase those Maker fees so that they are more in line with other exchanges, and will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and

threshold is from greater than 0.65% to 1.40%, with a per contract non-take volume fee of \$0.12 and a per contract take volume fee of \$0.17, the Tier 4 percentage threshold is from greater than 1.40% to 2.00%, with a per contract non-take volume fee of \$0.09 and a per contract take volume fee of \$0.14, and the Tier 5 percentage threshold is greater than 2.020%, with a per contract non-take volume fee of \$0.06 and a per contract take volume fee of \$0.09. See also Cboe Exchange, Inc. (“CBOE”) Fees Schedule, p. 3. The CBOE Liquidity Provider Sliding Scale Tier 1 percentage threshold is from 0.00% to 0.05%, with a transaction fee per contract of \$0.23, the Tier 2 percentage threshold is from above 0.05% to 0.80%, with a transaction fee per contract of \$0.17, the Tier 3 percentage threshold is from above 0.80% to 1.50%, with a transaction fee per contract of \$0.10, the Tier 4 percentage threshold is from above 1.50% to 2.25%, with a transaction fee per contract of \$0.05, and the Tier 5 percentage threshold is above 2.25%, with a transaction fee per contract of \$0.03.

¹⁷ Id.

grow market share. While distinguished from the traditional “maker-taker” fee model under which an exchange pays a per-contract rebate to their members to encourage them to place resting liquidity by providing quotes and orders (“maker”) on their trading systems and assessing a fee that executes against a resting order (“taker”), the Exchange assesses a reduced fee for “makers” as compared to “takers” rather than giving the “maker” a rebate. Further, Exchange’s proposal to assess a higher Maker fee is reasonable, equitable and not unfairly discriminatory because this would narrow the difference between the Maker and Taker fees, which would in turn benefit the public and investors by encouraging Market Makers to provide more order flow.

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 proposed fee structure is intended to promote narrower spreads and encourage the posting of liquidity (instead of taking liquidity), and thus should promote better prices. The Exchange believes that the proposed changes in the Tier structure in the Market Maker Sliding Scale should continue to encourage the provision of liquidity that enhances the quality of the Exchange’s markets and increases the number of trading opportunities on MIAX Options for all participants who will be able to compete for such opportunities. The proposed rule change should enable the Exchange to continue to attract and compete for order flow with other exchanges. However, this competition does not create an undue burden on competition but rather offers all market participants the opportunity to receive the benefit of competitive pricing.

The proposed Maker fee increases are intended to keep the Exchange’s fees highly competitive with those of other exchanges, and to encourage liquidity and should enable the Exchange to continue to attract and compete for order flow with other exchanges which offer comparable Maker fees.

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 proposed rule changes reflect this competitive environment because they modify the Exchange's fees in a manner that encourages market participants to provide liquidity and to send order flow to the Exchange rather than remove liquidity from the market place.

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,¹⁸ and Rule 19b-4(f)(2) thereunder¹⁹ 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**

Not applicable.

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

Not applicable.

¹⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁹ 17 CFR 240.19b-4.

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

Not applicable.

11. Exhibits

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

5. Applicable Section of the MIAX Options Fee Schedule.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-MIAX-2018-21)

July __, 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”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 31, 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

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 the Market Maker Sliding Scale (defined below) contained in its Fee Schedule, and assessed to MIAX Options Market Makers,³ to (i) modify certain volume thresholds, and (ii) increase certain Maker (as defined below) fees in certain Tiers for options transactions in Penny classes (as defined below) executed in the simple order book.

Section 1)a)i) of the Fee Schedule sets forth the Exchange's Market Maker Sliding Scale for Market Maker Transaction Fees (the "Sliding Scale"). The Sliding Scale assesses a per contract transaction fee on a Market Maker for the execution of simple orders and quotes (collectively, "simple orders") and complex orders and quotes (collectively, "complex orders"). The percentage threshold by tier is based on the Market Maker's percentage of total national market maker volume in all options classes that trade on the Exchange during a particular calendar month, or total aggregated volume ("TAV"), and the Exchange aggregates the volume executed by Market Makers in both simple orders and complex orders for purposes of determining the applicable tier and corresponding per contract transaction fee amount.⁴ The

³ The term "Market Makers" refers to Lead Market Makers ("LMMs"), Primary Lead Market Makers ("PLMMs"), and Registered Market makers ("RMMs") collectively. See Exchange Rule 100. A Directed Order Lead Market Maker ("DLMM") and Directed Primary Lead Market Maker ("DPLMM") is a party to a transaction being allocated to the LMM or PLMM and is the result of an order that has been directed to the LMM or PLMM. See Fee Schedule, note 2.

⁴ The calculation of the volume thresholds does not include QCC and cQCC Orders, PRIME and cPRIME AOC Responses, and unrelated MIAX Market Maker quotes or unrelated MIAX Market Maker orders that are received during the Response Time Interval and executed against the PRIME Order ("PRIME Participating Quotes or Orders") and unrelated MIAX Market Maker complex quotes or unrelated MIAX Market

Sliding Scale applies to all MIAX Options Market Makers for transactions in all products (except for mini-options, for which there are separate product fees), with fees established for standard option classes in the Penny Pilot Program⁵ (“Penny classes”) and separate fees for standard option classes which are not in the Penny Pilot Program (“non-Penny classes”), and further based on whether the Market Maker is acting as a “Maker” or a “Taker” in simple orders.⁶ Market Makers that place resting liquidity, i.e., quotes or orders on the MIAX Options System,⁷ are assessed the “maker” fee (each a “Maker”). Market Makers that execute against (remove) resting liquidity are assessed a higher “taker” fee (each a “Taker”). This is distinguished from traditional “maker-taker” models where “makers” typically receive a rebate and “takers” are assessed a fee; the Exchange instead assesses lower transaction fees to “makers” as compared to “takers,” similar to the manner implemented at other exchanges.⁸

Further, the Exchange provides certain discounted Market Maker transaction fees for Members⁹ and their qualified Affiliates¹⁰ that achieve certain volume thresholds through the

Maker complex orders that are received during the Response Time Interval and executed against a cPRIME Order (“cPRIME Participating Quote or Order”) (herein “Excluded Contracts”). See Fee Schedule, page 2.

⁵ See Securities Exchange Act Release No. 83515 (June 25, 2018), 83 FR 30786 (June 29, 2018)(SR-MIAX-2018-12).

⁶ See Securities Exchange Act Release No. 78519 (August 9, 2016), 81 FR 54162 (August 15, 2016)(SR-MIAX-2016-21).

⁷ The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

⁸ The Exchange notes that similar maker-taker pricing is implemented at Nasdaq ISE, LLC (“ISE”). See Nasdaq ISE Fee Schedule, Section I Regular Order Fees and Rebates.

⁹ The term “Member” means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

¹⁰ For purposes of the MIAX Options Fee Schedule, the term “Affiliate” means (i) an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm’s Form BD, Schedule A, (“Affiliate”), or (ii) the Appointed Market Maker of an Appointed EEM (or, conversely, the Appointed EEM of an Appointed Market

submission of Priority Customer¹¹ orders under the Exchange's Priority Customer Rebate Program ("PCRP"),¹² which is set forth on two tables: one setting forth the transaction fees applicable to Members and their Affiliates that are in PCRP Volume Tier 3 or higher; and the other setting forth the transaction fees applicable to Members and their Affiliates that are not in

Maker). An "Appointed Market Maker" is a MIAX Market Maker (who does not otherwise have a corporate affiliation based upon common ownership with an EEM) that has been appointed by an EEM and an "Appointed EEM" is an EEM (who does not otherwise have a corporate affiliation based upon common ownership with a MIAX Market Maker) that has been appointed by a MIAX Market Maker, pursuant to the following process. A MIAX Market Maker appoints an EEM and an EEM appoints a MIAX Market Maker, for the purposes of the Fee Schedule, by each completing and sending an executed Volume Aggregation Request Form by email to membership@miaxoptions.com no later than 2 business days prior to the first business day of the month in which the designation is to become effective. Transmittal of a validly completed and executed form to the Exchange along with the Exchange's acknowledgement of the effective designation to each of the Market Maker and EEM will be viewed as acceptance of the appointment. The Exchange will only recognize one designation per Member. A Member may make a designation not more than once every 12 months (from the date of its most recent designation), which designation shall remain in effect unless or until the Exchange receives written notice submitted 2 business days prior to the first business day of the month from either Member indicating that the appointment has been terminated. Designations will become operative on the first business day of the effective month and may not be terminated prior to the end of the month. Execution data and reports will be provided to both parties. See Fee Schedule, note 1.

¹¹ The term "Priority Customer" means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). A "Priority Customer Order" means an order for the account of a Priority Customer. See Exchange Rule 100.

¹² Under the PCRP, MIAX Options credits each Member the per contract amount resulting from each Priority Customer order transmitted by that Member which is executed electronically on the Exchange in all multiply-listed option classes (excluding, in simple or complex as applicable, QCC and cQCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, C2C and cC2C Orders, PRIME and cPRIME AOC Responses, PRIME and cPRIME Contra-side Orders, PRIME and cPRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in Exchange Rule 1400), provided the Member meets certain percentage thresholds in a month as described in the Priority Customer Rebate Program table. See Fee Schedule, Section 1)a)iii.

PCRP Volume Tier 3 or higher. The Sliding Scale also includes Maker and Taker fees in both tables in each Tier for simple orders in Penny classes and non-Penny classes where the fees are discounted/differentiated between the tables.

The current Sliding Scale tables are as follows:

Members and Their Affiliates In Priority Customer Rebate Program Volume Tier 3 or Higher									
	Tier	Percentage Thresholds	Simple				Complex		
			Per Contract Fee For Penny Classes		Per Contract Fee For Non- Penny Classes		Per Contract Fee for Penny Classes	Per Contract Fee for Non- Penny Classes	Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes
			Maker	Taker	Maker	Taker			
All MIAX Market Makers	1	0.00% - 0.075%	\$0.21	\$0.23	\$0.25	\$0.30	\$0.25	\$0.29	\$0.10
	2	Above 0.075% - 0.60%	\$0.15	\$0.22	\$0.19	\$0.27	\$0.19	\$0.23	\$0.10
	3	Above 0.60% - 1.00%	\$0.08	\$0.19	\$0.12	\$0.23	\$0.12	\$0.16	\$0.10
	4	Above 1.00% - 1.50%	\$0.04	\$0.18	\$0.08	\$0.22	\$0.07	\$0.11	\$0.10
	5	Above 1.50%	\$0.02	\$0.17	\$0.06	\$0.21	\$0.05	\$0.09	\$0.10

Members and Their Affiliates Not In Priority Customer Rebate Program Volume Tier 3 or Higher									
	Tier	Percentage Thresholds	Simple				Complex		
			Per Contract Fee For Penny Classes		Per Contract Fee For Non- Penny Classes		Per Contract Fee for Penny Classes	Per Contract Fee for Non- Penny Classes	Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes
			Maker	Taker	Maker	Taker			
All MIAX Market Makers	1	0.00% - 0.075%	\$0.23	\$0.25	\$0.27	\$0.32	\$0.25	\$0.29	\$0.10
	2	Above 0.075% - 0.60%	\$0.17	\$0.24	\$0.21	\$0.29	\$0.19	\$0.23	\$0.10
	3	Above 0.60% - 1.00%	\$0.10	\$0.21	\$0.14	\$0.25	\$0.12	\$0.16	\$0.10
	4	Above 1.00% - 1.50%	\$0.06	\$0.20	\$0.10	\$0.24	\$0.07	\$0.11	\$0.10
	5	Above 1.50%	\$0.04	\$0.19	\$0.08	\$0.23	\$0.05	\$0.09	\$0.10

First, the Exchange proposes to modify the monthly volume thresholds in the Market Maker Sliding Scale in both the table setting forth the transaction fees applicable to Members and their Affiliates that are in PCRCP Volume Tier 3 or higher; and in the second table setting forth the transaction fees applicable to Members and their Affiliates that are not in PCRCP Volume Tier 3 or higher. Specifically, the Exchange proposes to adjust the percentage threshold of Tier 2 from above 0.075% up to 0.60% of the total monthly volume executed by the Member on MIAX Options, not including Excluded Contracts, divided by the TAV, to become above 0.075% up to 0.70% of the total monthly volume executed by the Member on MIAX Options, not including Excluded Contracts, divided by the TAV. The Exchange proposes to adjust the percentage threshold of Tier 3 from above 0.60% up to 1.00% of the total monthly volume executed by the Member on MIAX Options, not including Excluded Contracts, divided by the

TAV, to become above 0.70% up to 1.10% of the total monthly volume executed by the Member on MIAX, not including Excluded Contracts, divided by the TAV. The Exchange proposes to adjust the percentage threshold of Tier 4 from above 1.00% up to 1.50% of the total monthly volume executed by the Member on MIAX Options, not including Excluded Contracts, divided by the TAV, to become above 1.10% up to 1.50% of the total monthly volume executed by the Member on MIAX Options, not including Excluded Contracts, divided by the TAV. The Exchange does not propose any adjustment to the percentage thresholds of Tier 1 or Tier 5.

Second, the Exchange proposes to increase the Maker fees in the Market Maker Sliding Scale, in Tiers 2, 3, 4 and 5 for Penny classes, for Members and their Affiliates that are in PCR Volume Tier 3 or higher and also for Members and their Affiliates not in PCR Volume Tier 3 or higher. For options transactions in Penny classes by Members and their Affiliates that are in PCR Volume Tier 3 or higher, the Exchange proposes to increase the Maker fee in Tier 2 from \$0.15 to \$0.16, in Tier 3 from \$0.08 to \$0.10, in Tier 4 from \$0.04 to \$0.05 and in Tier 5 from \$0.02 to \$0.03. For options transactions in Penny classes by Members and their Affiliates that are not in PCR Volume Tier 3 or higher, the Exchange proposes to increase the Maker fee in Tier 2 from \$0.17 to \$0.18, in Tier 3 from \$0.10 to \$0.12, in Tier 4 from \$0.06 to \$0.07 and in Tier 5 from \$0.04 to \$0.05.

With all proposed changes Section 1)a)i of the Fee Schedule shall be the following:

Members and Their Affiliates In Priority Customer Rebate Program Volume Tier 3 or Higher									
	Tier	Percentage Thresholds	Simple				Complex		
			Per Contract Fee For Penny Classes		Per Contract Fee For Non-Penny Classes		Per Contract Fee for Penny Classes	Per Contract Fee for Non- Penny Classes	Per Contract Surcharge for Trading Against a Priority Customer Complex Order for Penny and Non-Penny Classes
			Maker*	Taker	Maker*	Taker			
All MIAX Market Maker s	1	0.00% - 0.075%	\$0.21	\$0.23	\$0.25	\$0.30	\$0.25	\$0.32	\$0.12
	2	Above 0.075% - 0.70%	\$0.16	\$0.22	\$0.19	\$0.27	\$0.24	\$0.29	\$0.12
	3	Above 0.70% - 1.10%	\$0.10	\$0.19	\$0.12	\$0.23	\$0.21	\$0.25	\$0.12
	4	Above 1.10% - 1.50%	\$0.05	\$0.18	\$0.08	\$0.22	\$0.20	\$0.24	\$0.12
	5	Above 1.50%	\$0.03	\$0.17	\$0.06	\$0.21	\$0.19	\$0.23	\$0.12

Members and Their Affiliates Not In Priority Customer Rebate Program Volume Tier 3 or Higher									
	Tier	Percentage Thresholds	Simple				Complex		
			Per Contract Fee For Penny Classes		Per Contract Fee For Non-Penny Classes		Per Contract Fee for Penny Classes	Per Contract Fee for Non- Penny Classes	Per Contract Surcharge for Trading Against a Priority Customer Complex Order for Penny and Non-Penny Classes
			Maker*	Taker	Maker*	Taker			
All MIAX Market Makers	1	0.00% - 0.075%	\$0.23	\$0.25	\$0.27	\$0.32	\$0.25	\$0.32	\$0.12
	2	Above 0.075% - 0.70%	\$0.18	\$0.24	\$0.21	\$0.29	\$0.24	\$0.29	\$0.12
	3	Above 0.70% - 1.10%	\$0.12	\$0.21	\$0.14	\$0.25	\$0.21	\$0.25	\$0.12
	4	Above 1.10% - 1.50%	\$0.07	\$0.20	\$0.10	\$0.24	\$0.20	\$0.24	\$0.12
	5	Above 1.50%	\$0.05	\$0.19	\$0.08	\$0.23	\$0.19	\$0.23	\$0.12

The proposed rule change is scheduled to become operative August 1, 2018.

2. Statutory Basis

The Exchange believes that its proposal to amend its fee schedule is consistent with Section 6(b) of the Act¹³ in general, and furthers the objectives of Section 6(b)(4) of the Act,¹⁴ in that it is an equitable allocation of reasonable dues, fees and other charges among Exchange members and issuers and other persons using its facilities. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act,¹⁵ in that it is designed to prevent

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ 15 U.S.C. 78f (b)(5).

fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest and is not designed to permit unfair discrimination between customer, issuers, brokers and dealers.

The Exchange believes that the proposed changes to the Tier percentage thresholds in the Market Maker Sliding Scale are consistent with Section 6(b)(4) and 6(b)(5) of the Act in that they are fair, equitable and not unfairly discriminatory because they apply equally to all MIAX Options Market Makers. All MIAX Options Market Makers are subject to the same fee schedule, and access to the Exchange is offered on terms that are not unfairly discriminatory.

The Exchange believes that the proposed changes to the Tier percentage thresholds in the Market Maker Sliding Scale are consistent with Section 6(b)(5) of the Act in that they promote equitable access to the Exchange for all market participants. To the extent that MIAX Options Market Maker volume is increased by the proposal, market participants will increasingly compete for the opportunity to trade on the Exchange including sending more orders and quotes to the Exchange. The resulting increased volume and liquidity will benefit all Exchange participants by providing more trading opportunities and tighter spreads.

The specific percentage thresholds of the Tiers for Market Makers as well as the fees are set based upon business determinations and an analysis of current volume levels. The Exchange believes that the proposed Maker fees are generally within the range of fees at other exchanges that have a comparable pricing structure.¹⁶ The percentage thresholds are intended to continue to

¹⁶ See NYSE American LLC (“NYSE American”) Fee Schedule, p. 11. The NYSE American Market Maker Sliding Scale Tier 1 percentage threshold is from 0.00% to 0.20%, with a per contract non-take volume fee of \$0.25 and a per contract take volume fee of \$0.25, the Tier 2 percentage threshold is from greater than 0.20% to 0.65%, with a per contract non-take volume fee of \$0.22 and a per contract take volume fee of \$0.24,

incentivize MIAX Options Market Makers to increase the number of orders and quotes they send to the Exchange so that they can achieve the next threshold, and to encourage all market participants to send more orders and quotes as well. Increasing the number of orders and quotes sent to the Exchange will in turn provide tighter and more liquid markets, and therefore attract more business overall. Similarly, the different fees at the different Tier levels are based on an analysis of current revenue and volume levels and are intended to provide continued incentives to MIAX Options Market Makers to increase the volume of orders and quotes sent to, and contracts executed on, the Exchange. The specific volume thresholds of the Tiers and rates are set in order to encourage MIAX Options Market Makers to continue to reach for higher tiers.

The proposed Maker fee increases in Penny Classes for simple orders in the specified Tiers is reasonable, equitable and not unfairly discriminatory because all similarly situated MIAX Options Market Makers are subject to the same tiered fees and access to the Exchange is offered on terms that are not unfairly discriminatory. For competitive and business reasons, the Exchange has kept its Maker fees for simple orders in Penny Classes lower than certain other options exchanges that operate comparable pricing models.¹⁷ The Exchange now believes that it is appropriate to increase those Maker fees so that they are more in line with other exchanges,

the Tier 3 percentage threshold is from greater than 0.65% to 1.40%, with a per contract non-take volume fee of \$0.12 and a per contract take volume fee of \$0.17, the Tier 4 percentage threshold is from greater than 1.40% to 2.00%, with a per contract non-take volume fee of \$0.09 and a per contract take volume fee of \$0.14, and the Tier 5 percentage threshold is greater than 2.020%, with a per contract non-take volume fee of \$0.06 and a per contract take volume fee of \$0.09. See also Cboe Exchange, Inc. (“CBOE”) Fees Schedule, p. 3. The CBOE Liquidity Provider Sliding Scale Tier 1 percentage threshold is from 0.00% to 0.05%, with a transaction fee per contract of \$0.23, the Tier 2 percentage threshold is from above 0.05% to 0.80%, with a transaction fee per contract of \$0.17, the Tier 3 percentage threshold is from above 0.80% to 1.50%, with a transaction fee per contract of \$0.10, the Tier 4 percentage threshold is from above 1.50% to 2.25%, with a transaction fee per contract of \$0.05, and the Tier 5 percentage threshold is above 2.25%, with a transaction fee per contract of \$0.03.

¹⁷

Id.

and will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and grow market share. While distinguished from the traditional “maker-taker” fee model under which an exchange pays a per-contract rebate to their members to encourage them to place resting liquidity by providing quotes and orders (“maker”) on their trading systems and assessing a fee that executes against a resting order (“taker”), the Exchange assesses a reduced fee for “makers” as compared to “takers” rather than giving the “maker” a rebate. Further, Exchange’s proposal to assess a higher Maker fee is reasonable, equitable and not unfairly discriminatory because this would narrow the difference between the Maker and Taker fees, which would in turn benefit the public and investors by encouraging Market Makers to provide more order flow.

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 proposed fee structure is intended to promote narrower spreads and encourage the posting of liquidity (instead of taking liquidity), and thus should promote better prices. The Exchange believes that the proposed changes in the Tier structure in the Market Maker Sliding Scale should continue to encourage the provision of liquidity that enhances the quality of the Exchange’s markets and increases the number of trading opportunities on MIAX Options for all participants who will be able to compete for such opportunities. The proposed rule change should enable the Exchange to continue to attract and compete for order flow with other exchanges. However, this competition does not create an undue burden on competition but rather offers all market participants the opportunity to receive the benefit of competitive pricing.

The proposed Maker fee increases are intended to keep the Exchange’s fees highly competitive with those of other exchanges, and to encourage liquidity and should enable the

Exchange to continue to attract and compete for order flow with other exchanges which offer comparable Maker fees.

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 proposed rule changes reflect this competitive environment because they modify the Exchange's fees in a manner that encourages market participants to provide liquidity and to send order flow to the Exchange rather than remove liquidity from the market place.

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

¹⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁹ 17 CFR 240.19b-4(f)(2).

IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail [to rule-comments@sec.gov](mailto:to-rule-comments@sec.gov). Please include File Number SR-MIAX-2018-21 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-2018-21. 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-2018-21 and should be submitted on or before [insert date 21 days from publication in the Federal Register]. For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Brent J. Fields
Secretary

²⁰ 17 CFR 200.30-3(a)(12).

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MIAX Options Fee Schedule

1) Transaction Fees

a) Exchange Fees

i) Market Maker Transaction Fees

Market Maker Sliding Scale

Members and Their Affiliates ¹ In Priority Customer Rebate Program Volume Tier 3 or Higher									
	Tier	Percentage Thresholds	Simple				Complex		
			Per Contract Fee For Penny Classes		Per Contract Fee For Non-Penny Classes		Per Contract Fee for Penny Classes	Per Contract Fee for Non- Penny Classes	Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non- Penny Classes
			Maker*	Taker	Maker*	Taker			
All MIAX Market Makers	1	0.00% - 0.075%	\$0.21	\$0.23	\$0.25	\$0.30	\$0.25	\$0.29	\$0.10
	2	Above 0.075% - [0.60] <u>0.70%</u>	\$(<u>0.15</u>) <u>0.16</u>	\$0.22	\$0.19	\$0.27	\$0.19	\$0.23	\$0.10
	3	Above [0.60] <u>0.70%</u> - [1.00] <u>1.10%</u>	\$(<u>0.08</u>) <u>0.10</u>	\$0.19	\$0.12	\$0.23	\$0.12	\$0.16	\$0.10
	4	Above [1.00] <u>1.10%</u> - 1.50%	\$(<u>0.04</u>) <u>0.05</u>	\$0.18	\$0.08	\$0.22	\$0.07	\$0.11	\$0.10
	5	Above 1.50%	\$(<u>0.02</u>) <u>0.03</u>	\$0.17	\$0.06	\$0.21	\$0.05	\$0.09	\$0.10

¹ For purposes of the MIAX Options Fee Schedule, the term "Affiliate" means (i) an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A, ("Affiliate"), or (ii) the Appointed Market Maker of an Appointed EEM (or, conversely, the Appointed EEM of an Appointed Market Maker). An "Appointed Market Maker" is a MIAX Market Maker (who does not otherwise have a corporate affiliation based upon common ownership with an EEM) that has been appointed by an EEM and an "Appointed EEM" is an EEM (who does not otherwise have a corporate affiliation based upon common ownership with a MIAX Market Maker) that has been appointed by a MIAX Market Maker, pursuant to the following process. A MIAX Market Maker appoints an EEM and an EEM appoints a MIAX Market Maker, for the purposes of the Fee Schedule, by each completing and sending an executed Volume Aggregation Request Form by email to membership@miaxoptions.com no later than 2 business days prior to the first business day of the month in which the designation is to become effective. Transmittal of a validly completed and executed form to the Exchange along with the Exchange's acknowledgement of the effective designation to each of the Market Maker and EEM will be viewed as acceptance of the appointment. The Exchange will only recognize one designation per Member. A Member may make a designation not more than once every 12 months (from the date of its most recent designation), which designation shall remain in effect unless or until the Exchange receives written notice submitted 2 business days prior to the first business day of the month from either Member indicating that the appointment has been terminated. Designations will become operative on the first business day of the effective month and may not be terminated prior to the end of the month. Execution data and reports will be provided to both parties.

Members and Their Affiliates Not In Priority Customer Rebate Program Volume Tier 3 or Higher									
	Tier	Percentage Thresholds	Simple				Complex		
			Per Contract Fee For Penny Classes		Per Contract Fee For Non-Penny Classes		Per Contract Fee for Penny Classes	Per Contract Fee for Non- Penny Classes	Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non- Penny Classes
			Maker*	Taker	Maker*	Taker			
All MIAX Market Makers ²	1	0.00% - 0.075%	\$0.23	\$0.25	\$0.27	\$0.32	\$0.25	\$0.29	\$0.10
	2	Above 0.075% - [0.60]0.70%	\$(0.17) 0.18	\$0.24	\$0.21	\$0.29	\$0.19	\$0.23	\$0.10
	3	Above [0.60]0.70% - [1.00]1.10%	\$(0.10) 0.12	\$0.21	\$0.14	\$0.25	\$0.12	\$0.16	\$0.10
	4	Above [1.00]1.10% - 1.50%	\$(0.06) 0.07	\$0.20	\$0.10	\$0.24	\$0.07	\$0.11	\$0.10
	5	Above 1.50%	\$(0.04) 0.05	\$0.19	\$0.08	\$0.23	\$0.05	\$0.09	\$0.10

* The Maker Penny and Non-Penny fees will apply to opening transactions, transactions resulting from quotes that uncross the ABBO, and any other transaction that is not a taker transaction.

Volume thresholds are based on the total national Market Maker volume of any options classes with traded volume on MIAX during the month in simple and complex orders (excluding QCC and cQCC Orders, PRIME and cPRIME AOC Responses, and unrelated MIAX Market Maker quotes or unrelated MIAX Market Maker orders that are received during the Response Time Interval and executed against the PRIME Order (“PRIME Participating Quotes or Orders”) and unrelated MIAX Market Maker complex quotes or unrelated MIAX Market Maker complex orders that are received during the Response Time Interval and executed against a cPRIME Order (“cPRIME Participating Quote or Order”). The Market Maker Sliding Scale applies to MIAX Market Maker (RMM, LMM, DLMM, PLMM, DPLMM) transaction fees in all products except mini-options. MIAX Market Makers will be assessed a \$0.02 per executed contract fee for transactions in mini-options. A MIAX Market Maker's standard per contract transaction fee shall be reduced to the fees shown on the sliding scale as the MIAX Market Maker reaches the volume thresholds shown on the sliding scale in a month. The Exchange will aggregate the trading activity of Members and their Affiliates for purposes of the sliding scale.

ii) – x) No change.

b) – c) No change.

² See MIAX Rule 100 for the definition of Registered Market Maker (“RMM”), Primary Lead Market Maker (“PLMM”), Lead Market Maker (“LMM”), Directed Order Lead Market Maker (“DLMM”) and Directed Primary Lead Market Maker (“DPLMM”) is a party to a transaction being allocated to the LMM or PLMM and is the result of an order that has been directed to the LMM or PLMM.