OMB APPROVAL

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

File No.* SR - 2019 - * 06

Amendment No. (req. for Amendments *)

Filing by   Miami International Securities Exchange, LLC.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ☑	Amendment * ☐	Withdrawal ☐	Section 19(b)(2) * ☐	Section 19(b)(3)(A) * ☑	Section 19(b)(3)(B) * ☐

Rule

Pilot ☐	Extension of Time Period for Commission Action * ☐	Date Expires *

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

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

Section 806(e)(1) * ☐   Section 806(e)(2) * ☐

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

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐   Exhibit 3 Sent As Paper Document ☐

Description

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

Proposal to Amend Exchange Rule 503, Openings on the Exchange, and Exchange Rule 515, Execution of Orders and Quotes.

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 *	Dimitriy	Last Name *	Kotov

Title *   Assistant Vice President and Associate Counsel

E-mail *   dkotov@miami-holdings.com

Telephone *   (609) 897-8494   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 *)

Date   02/22/2019   Assistant Vice President and Associate Counsel

By   Dimitriy Kotov

(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.

dkotov@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 *

[Add] [Remove] [View]

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

Exhibit 1 - Notice of Proposed Rule Change *

[Add] [Remove] [View]

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

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

[Add] [Remove] [View]

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

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

[Add] [Remove] [View]

Exhibit Sent As Paper Document
☐

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

[Add] [Remove] [View]

Exhibit Sent As Paper Document
☐

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

Exhibit 4 - Marked Copies

[Add] [Remove] [View]

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

Exhibit 5 - Proposed Rule Text

[Add] [Remove] [View]

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

[Add] [Remove] [View]

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1.   Text of the Proposed Rule Change

(a) Miami International Securities Exchange, LLC ("MIAX Options" or the "Exchange"), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act" or the "Exchange Act"),[1] and Rule 19b-4 thereunder,[2] is filing with the Securities and Exchange Commission (the "Commission") a proposal to amend Exchange Rule 503, Openings on the Exchange, and Exchange Rule 515, Execution of Orders and Quotes.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2.   Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Chief Executive Officer of the Exchange pursuant to authority delegated by the MIAX Options Board of Directors on January 31, 2019. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the proposed rule changes.

Questions and comments on the proposed rule change may be directed to Dimitriy Kotov, Assistant Vice President and Associate Counsel, (609) 897-8494.

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

[2]   17 CFR 240.19b-4.

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

      a.   <u>Purpose</u>

The Exchange proposes to amend Exchange Rule 503, Openings on the Exchange, and Exchange Rule 515, Execution of Orders and Quotes, to delete certain rule text regarding functionality that the Exchange proposes to remove from the System[3] and to make certain minor clarifying changes related thereto.

First, the Exchange proposes to delete Exchange Rule 515, Interpretations and Policies .01. Presently, this rule states that "[a] Member[4] may submit written instructions to the Exchange designating orders the Member submits as eligible for automatic resubmission when the order or any remaining part of the order has been automatically cancelled by the System. The resubmitted order will be automatically submitted as a new order. This automatic resubmission functionality of the System will not apply to Immediate or Cancel, Fill or Kill or Intermarket Sweep Orders." The Exchange notes that this functionality was completely voluntary for Members to use and was intended to provide Members with an automated way to resubmit certain cancelled orders. The Exchange believes this functionality is no longer necessary as very few Members ever used such functionality, and no Members are currently utilizing this functionality. Therefore, the Exchange proposes to delete this rule text as it no longer plans to offer this functionality to its Members.

Second, the Exchange proposes to amend Exchange Rule 515(e) related to handling of Immediate-or-Cancel ("IOC") Orders. Specifically, the Exchange proposes to delete the last

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[3]   The term "System" means the automated trading system used by the Exchange for the trading of securities. <u>See</u> Exchange Rule 100.

[4]   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. <u>See</u> Exchange Rule 100.

sentence of Rule 515(e) which currently states that "[c]ontracts remaining from an IOC order will not be eligible for automatic resubmissions as a new order for Members who have instructed the Exchange in writing to re-enter remaining contracts." The Exchange notes that, since it is proposing to delete the order resubmission functionality, this corresponding rule text is no longer necessary because it was intended as a carve-out for IOC orders from the functionality the Exchange now proposes to delete from Interpretations and Policies .01.

Third, the Exchange proposes to amend Exchange Rule 515(f) related to handling of Fill-or-Kill ("FOK") Orders. Specifically, the Exchange proposes to delete the last sentence of Rule 515(f) which currently states that "[a]n FOK order will not be eligible for automatic resubmissions as a new order for Members who have instructed the Exchange in writing to re-enter remaining contracts." Similarly, this corresponding rule text is no longer necessary because it was intended as a carve-out for FOK orders from the functionality the Exchange now proposes to delete from Interpretations and Policies .01.

Fourth, the Exchange proposes to amend Exchange Rule 515(g) related to handling of Intermarket Sweep Orders and Intermarket Sweep eQuote ("ISOs"). Specifically, the Exchange proposes to delete part of the last sentence of Rule 515(g) which currently states that "…and are not eligible for automatic resubmissions as a new order for Members who have instructed the Exchange in writing to re-enter remaining contracts." Similarly, this corresponding rule text is no longer necessary because it was intended as a carve-out for ISOs from the functionality the Exchange now proposes to delete from Interpretations and Policies .01.

Finally, the Exchange proposes to amend Exchange Rule 503(f)(2)(vii)(B)(5) to delete a sentence related to the automatic resubmission of new orders as part of the opening process. Specifically, the Exchange proposes to delete text which reads "(i) the Member that submitted

the original order has instructed the Exchange in writing to re-enter the remaining size, in which case the remaining size will be automatically submitted as a new order, or (ii)…" The Exchange notes that this functionality was completely voluntary for Members to use and was intended to provide Members with an automated way to resubmit certain cancelled orders. The Exchange believes this functionality is no longer necessary as very few Members ever used such functionality, and no Members are currently utilizing this functionality. Therefore, the Exchange proposes to delete this rule text as it no longer plans to offer this functionality to its Members.

The Exchange notes that it will issue a Regulatory Circular in order to notify its Members of this proposed rule change removing System functionality, which would no longer allow Members to request that the Exchange automatically resubmit orders.

The proposed changes are scheduled to become operative March 1, 2019.

b.   Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act[5] in general, and furthers the objectives of Section 6(b)(5) of the Act[6] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes the proposed changes promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system because the proposed rule change deletes rule text that relates to

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[5]   15 U.S.C. 78f(b).

[6]   15 U.S.C. 78f(b)(5).

voluntary functionality that is no longer used by the Exchange's Members and updates corresponding rules to remove carve-outs which would no longer be applicable, to provide uniformity in the Exchange's rulebook with respect to System functionality. The Exchange notes that the proposed changes to Exchange Rule 515, Execution of Orders and Quotes, and Exchange Rule 503, Openings on the Exchange, would not have a substantive impact on Exchange Members since no Members currently make use of such functionality. As such, the proposed amendments would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national exchange system, since it is proposing to remove rule text that relates to functionality that is not used by its Members. The Exchange further believes that the proposed rule change is consistent with the Act because Members will continue to have other means of submitting orders and the removal of the automatic order resubmission functionality does not impact the ability of Members to transact on the Exchange. The Exchange does not believe that removing this functionality will negatively impact Members because very few Members ever used such functionality, and no Members are currently utilizing this functionality.

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 rule change will have no impact on competition as it is not designed to address any competitive issues but rather is designed to delete rule text that relates to voluntary functionality that is no

longer used by the Exchange's Members and updates corresponding rules to remove carve-outs

which would no longer be applicable as a result.

The Exchange does not believe that the proposed rule change will impose any burden on

intermarket competition as the Rules apply equally to all Exchange Members.

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) of the Act[7] and Rule 19b-4(f)(6)[8] thereunder, the

Exchange has designated this proposal as one that effects a change that: (i) does not significantly

affect the protection of investors or the public interest; (ii) does not impose any significant

burden on competition; and (iii) by its terms, does not become operative for 30 days after the

date of the filing, or such shorter time as the Commission may designate if consistent with the

protection of investors and the public interest.

The Exchange believes that the proposed changes are not controversial and do not impose

any significant burden on the Exchange's Members. The proposed changes to Exchange Rule

515, Execution of Orders and Quotes, and Exchange Rule 503, Openings on the Exchange, are

non-controversial and promote the protection of investors and the public interest by improving

the accuracy and precision of the Exchange's Rules. Furthermore, the Exchange believes that the

proposed rule change does not impose any significant burden on competition because the change

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[7]   15 U.S.C. 78s(b)(3)(A).

[8]   17 CFR 240.19b-4(f)(6).

deletes rule text that relates to voluntary functionality that is no longer used by the Exchange's Members and updates corresponding rules to remove carve-outs which would no longer be applicable as a result. The Exchange further believes that the proposed rule change is consistent with the Act and does not significantly affect the protection of investors or the public interest because Members will continue to have other means of submitting orders and the removal of the automatic order resubmission functionality does not impact the ability of Members to transact on the Exchange. The Exchange does not believe that removing this functionality will negatively impact Members because very few Members ever used such functionality, and no Members are currently utilizing this functionality.

Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement. Furthermore, a proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act[9] normally does not become operative for 30 days after the date of its filing.

The Exchange respectfully requests that the Commission waive the 30-day operative delay pursuant to Section 19(b)(3)(A) of the Act[10] and paragraph (f)(6) of Rule 19b-4 thereunder.[11] Waiver of this requirement, specified in Rule 19b-4(f)(6),[12] ensures the accuracy and precision of the Exchange's rules by removing rule text related to voluntary functionality which is not utilized by Members on the Exchange. Based on the foregoing, the Exchange

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[9]   Id.

[10]   15 U.S.C. 78s(b)(3)(A).

[11]   17 CFR 240.19b-4(f)(6).

[12]   Id.

believes that its proposal should become immediately effective and requests that the Commission

waive the 30-day operative waiting period contained in Rule 19b-4(f)(6)(iii) under the Act.[13]

Waiver of this requirement is consistent with the protection of investors and the public interest

because removing rule text related to voluntary functionality which is not utilized by Members

on the Exchange ensures the accuracy and precision of the Exchange's rules, which promotes

transparency and consistency for investors and the public interest. Further, the Exchange seeks

to make the voluntary functionality contained in Exchange Rule 515, Execution of Orders and

Quotes, and Exchange Rule 503, Openings on the Exchange no longer available on March 1,

2019. At any time within 60 days of the filing of the proposed rule change, the Commission

summarily may temporarily suspend such rule change if it appears to the Commission that such

action is necessary or appropriate in the public interest, for the protection of investors, or

otherwise in furtherance of the purposes of the Act.

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

The proposal is not based on rules of another self-regulatory organization or of the

Commission.

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**

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[13]   17 CFR 240.19b-4(f)(6)(iii).

Not applicable.

11.   Exhibits

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

5. Text of proposed changes to rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-   ; File No. SR-MIAX-2019-06)

February__, 2019

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange, LLC to Amend Exchange Rule 503, Openings on the Exchange, and Exchange Rule 515, Execution of Orders and Quotes

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 February 22, 2019, Miami International Securities Exchange, LLC ("MIAX Options" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange is filing a proposal to amend Exchange Rule 503, Openings on the Exchange, and Exchange Rule 515, Execution of Orders and Quotes, to delete certain rule text regarding functionality that the Exchange proposes to remove from the System[3] and to make certain minor clarifying changes related thereto.

The text of the proposed rule change is available on the Exchange's website at http://www.miaxoptions.com/rule-filings/ at MIAX Options' principal office, and at the Commission's Public Reference Room.

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

[2]   17 CFR 240.19b-4.

[3]   The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

          1.   <u>Purpose</u>

The Exchange proposes to amend Exchange Rule 503, Openings on the Exchange, and Exchange Rule 515, Execution of Orders and Quotes, to delete certain rule text regarding functionality that the Exchange proposes to remove from the System and to make certain minor clarifying changes related thereto.

First, the Exchange proposes to delete Exchange Rule 515, Interpretations and Policies .01. Presently, this rule states that "[a] Member[4] may submit written instructions to the Exchange designating orders the Member submits as eligible for automatic resubmission when the order or any remaining part of the order has been automatically cancelled by the System. The resubmitted order will be automatically submitted as a new order. This automatic resubmission functionality of the System will not apply to Immediate or Cancel, Fill or Kill or Intermarket Sweep Orders." The Exchange notes that this functionality was completely voluntary for Members to use and was intended to provide Members with an automated way to resubmit certain cancelled orders. The Exchange believes this functionality is no longer necessary as very

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[4]   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. <u>See</u> Exchange Rule 100.

few Members ever used such functionality, and no Members are currently utilizing this functionality. Therefore, the Exchange proposes to delete this rule text as it no longer plans to offer this functionality to its Members.

Second, the Exchange proposes to amend Exchange Rule 515(e) related to handling of Immediate-or-Cancel ("IOC") Orders. Specifically, the Exchange proposes to delete the last sentence of Rule 515(e) which currently states that "[c]ontracts remaining from an IOC order will not be eligible for automatic resubmissions as a new order for Members who have instructed the Exchange in writing to re-enter remaining contracts." The Exchange notes that, since it is proposing to delete the order resubmission functionality, this corresponding rule text is no longer necessary because it was intended as a carve-out for IOC orders from the functionality the Exchange now proposes to delete from Interpretations and Policies .01.

Third, the Exchange proposes to amend Exchange Rule 515(f) related to handling of Fill-or-Kill ("FOK") Orders. Specifically, the Exchange proposes to delete the last sentence of Rule 515(f) which currently states that "[a]n FOK order will not be eligible for automatic resubmissions as a new order for Members who have instructed the Exchange in writing to re-enter remaining contracts." Similarly, this corresponding rule text is no longer necessary because it was intended as a carve-out for FOK orders from the functionality the Exchange now proposes to delete from Interpretations and Policies .01.

Fourth, the Exchange proposes to amend Exchange Rule 515(g) related to handling of Intermarket Sweep Orders and Intermarket Sweep eQuote ("ISOs"). Specifically, the Exchange proposes to delete part of the last sentence of Rule 515(g) which currently states that "…and are not eligible for automatic resubmissions as a new order for Members who have instructed the Exchange in writing to re-enter remaining contracts." Similarly, this corresponding rule text is

no longer necessary because it was intended as a carve-out for ISOs from the functionality the Exchange now proposes to delete from Interpretations and Policies .01.

Finally, the Exchange proposes to amend Exchange Rule 503(f)(2)(vii)(B)(5) to delete a sentence related to the automatic resubmission of new orders as part of the opening process. Specifically, the Exchange proposes to delete text which reads "(i) the Member that submitted the original order has instructed the Exchange in writing to re-enter the remaining size, in which case the remaining size will be automatically submitted as a new order, or (ii)…" The Exchange notes that this functionality was completely voluntary for Members to use and was intended to provide Members with an automated way to resubmit certain cancelled orders. The Exchange believes this functionality is no longer necessary as very few Members ever used such functionality, and no Members are currently utilizing this functionality. Therefore, the Exchange proposes to delete this rule text as it no longer plans to offer this functionality to its Members.

The Exchange notes that it will issue a Regulatory Circular in order to notify its Members of this proposed rule change removing System functionality, which would no longer allow Members to request that the Exchange automatically resubmit orders.

The proposed changes are scheduled to become operative March 1, 2019.

2.   Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act[5] in general, and furthers the objectives of Section 6(b)(5) of the Act[6] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and

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[5]   15 U.S.C. 78f(b).

[6]   15 U.S.C. 78f(b)(5).

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

The Exchange believes the proposed changes promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system because the proposed rule change deletes rule text that relates to voluntary functionality that is no longer used by the Exchange's Members and updates corresponding rules to remove carve-outs which would no longer be applicable, to provide uniformity in the Exchange's rulebook with respect to System functionality. The Exchange notes that the proposed changes to Exchange Rule 515, Execution of Orders and Quotes, and Exchange Rule 503, Openings on the Exchange, would not have a substantive impact on Exchange Members since no Members currently make use of such functionality. As such, the proposed amendments would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national exchange system, since it is proposing to remove rule text that relates to functionality that is not used by its Members. The Exchange further believes that the proposed rule change is consistent with the Act because Members will continue to have other means of submitting orders and the removal of the automatic order resubmission functionality does not impact the ability of Members to transact on the Exchange. The Exchange does not believe that removing this functionality will negatively impact Members because very few Members ever used such functionality, and no Members are currently utilizing this functionality.

B.   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

rule change will have no impact on competition as it is not designed to address any competitive issues but rather is designed to delete rule text that relates to voluntary functionality that is no longer used by the Exchange's Members and updates corresponding rules to remove carve-outs which would no longer be applicable as a result.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition as the Rules apply equally to all Exchange Members.

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

Written comments were neither solicited nor received.

III.   <u>Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action</u>

Pursuant to Section 19(b)(3)(A) of the Act[7] and Rule 19b-4(f)(6)[8] thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that the proposed changes are not controversial and do not impose any significant burden on the Exchange's Members. The proposed changes to Exchange Rule 515, Execution of Orders and Quotes, and Exchange Rule 503, Openings on the Exchange, are non-controversial and promote the protection of investors and the public interest by improving the accuracy and precision of the Exchange's Rules. Furthermore, the Exchange believes that the proposed rule change does not impose any significant burden on competition because the change

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[7]   15 U.S.C. 78s(b)(3)(A).

[8]   17 CFR 240.19b-4(f)(6).

deletes rule text that relates to voluntary functionality that is no longer used by the Exchange's

Members and updates corresponding rules to remove carve-outs which would no longer be

applicable as a result. The Exchange further believes that the proposed rule change is consistent

with the Act and does not significantly affect the protection of investors or the public interest

because Members will continue to have other means of submitting orders and the removal of the

automatic order resubmission functionality does not impact the ability of Members to transact on

the Exchange. The Exchange does not believe that removing this functionality will negatively

impact Members because very few Members ever used such functionality, and no Members are

currently utilizing this functionality.

Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written

notice of its intent to file the proposed rule change at least five business days prior to the date of

filing of the proposed rule change, or such shorter time as designated by the Commission. The

Exchange has satisfied this requirement. Furthermore, a proposed rule change filed pursuant to

Rule 19b-4(f)(6) under the Act[9] normally does not become operative for 30 days after the date of

its filing.

The Exchange respectfully requests that the Commission waive the 30-day operative

delay pursuant to Section 19(b)(3)(A) of the Act[10] and paragraph (f)(6) of Rule 19b-4

thereunder.[11] Waiver of this requirement, specified in Rule 19b-4(f)(6),[12] ensures the accuracy

and precision of the Exchange's rules by removing rule text related to voluntary functionality

which is not utilized by Members on the Exchange. Based on the foregoing, the Exchange

believes that its proposal should become immediately effective and requests that the Commission

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[9]   Id.

[10]   15 U.S.C. 78s(b)(3)(A).

[11]   17 CFR 240.19b-4(f)(6).

[12]   Id.

waive the 30-day operative waiting period contained in Rule 19b-4(f)(6)(iii) under the Act.[13]

Waiver of this requirement is consistent with the protection of investors and the public interest because removing rule text related to voluntary functionality which is not utilized by Members on the Exchange ensures the accuracy and precision of the Exchange's rules, which promotes transparency and consistency for investors and the public interest. Further, the Exchange seeks to make the voluntary functionality contained in Exchange Rule 515, Execution of Orders and Quotes, and Exchange Rule 503, Openings on the Exchange no longer available on March 1, 2019. 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.

IV.   Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

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

or

☐ Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MIAX-2019-06 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.

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[13]   17 CFR 240.19b-4(f)(6)(iii).

All submissions should refer to File Number SR-MIAX-2019-06. 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-2019-06 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.[14]

Brent J. Fields
Secretary

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[14]   17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC

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Rule 503. Openings on the Exchange

(a) – (e) No change.

(f) **Opening Process.**

(1) No change.

(2) If there are quotes or orders that lock or cross each other, the System will open by following the Opening Process detailed below.

(i) - (vi) No change.

(vii) **Imbalance Process.** If all opening marketable size cannot be completely executed at or within the EQR without trading at a price inferior to the ABBO, or cannot trade at or within the quality opening market range in the absence of a valid width NBBO, the System will automatically institute the following imbalance process:

(A) No change.

(B) If at the conclusion of the Timer, quotes and orders submitted during the Imbalance Timer, or other changes to the ABBO, would not allow the entire imbalance amount to trade at the Exchange at or within the EQR without trading at a price inferior to the ABBO, the System will:

1. – 4. No change.

5. Except as set forth in subsection a. below, if after that number of times the System still cannot route and/or trade the entire imbalance amount, the System will open as many contracts as possible by routing to other markets with prices better than the Exchange opening price for their disseminated size, trade available contracts on the Exchange at the opening price and route to other markets at prices equal to the Exchange opening price for their disseminated size. In this situation, the System will price any contracts routed to other markets at the away market price. If there is an opening transaction, any unexecuted contracts from the imbalance not traded or routed will be cancelled back to the entering Member if the price for those contracts crosses the opening price, unless [(i) the Member that submitted the original order has instructed the Exchange in writing to re-enter the remaining size, in which case the remaining size will be automatically submitted as a new order, or (ii)] such unexecuted contracts

are from a non-Market Maker order in a Proprietary Product, in which case the remaining size will be placed on the Book with a protected price equal to the opening price and the Liquidity Exposure Process, as defined in Exchange Rule 515(c)(2)(i) will begin immediately after the Opening Process is complete. However, in a series where the EQR has been calculated to be zero on the bid side and market order sell interest has a quantity greater than all of the buy interest, the System will treat the market order(s) like a limit order(s) to sell at the lowest Minimum Trading Increment and the Opening Process will be satisfied with an opening price at the lowest Minimum Increment with any remaining balance of the sell order(s) being placed on the Book in time priority and made available for execution following the Opening Process.

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Rule 515. Execution of Orders and Quotes

(a) - (d) No change.

(e) **Handling of Immediate-or-Cancel ("IOC") Orders.** As defined in Rule 516(c), an IOC order is a limit order that is to be executed in whole or in part upon receipt, with any portion not so executed cancelled. Market participants may designate price protection instructions on an order by order basis for IOC orders in the manner described in paragraph (c)(1) above. If an IOC order is executable against orders and quotes in the System and MIAX is the only exchange at the NBBO when an IOC order is received by the System, the System will execute the IOC order at the NBBO price or better and if the IOC order could not be executed in full the System may also execute the IOC order's remaining contracts at multiple prices not to exceed the IOC order's limit price or the order's price protection limit, provided the execution does not trade at a price inferior to the current ABBO. If other exchanges in addition to MIAX are also at the NBBO when the IOC order is received, the System will execute the IOC order at the NBBO price and cancel any remaining unexecuted contracts from the IOC order. If the MBBO is not at the NBBO at the time the IOC order is received or the IOC order is not executable against any orders or quotes in the System, the IOC order will be immediately cancelled. [Contracts remaining from an IOC order will not be eligible for automatic resubmission as a new order for Members who have instructed the Exchange in writing to re-enter remaining contracts.]

(f) **Handling of Fill-or-Kill ("FOK") Orders.** As defined in Rule 516(b)(2), an FOK order is a limit order that is to be executed in its entirety at a single price upon receipt and if not so executed cancelled. Market participants may designate price protection instructions on an order by order basis for FOK orders in the manner described in paragraph (c)(1) above. If an FOK order is fully executable against orders and quotes in the System and MIAX is at the NBBO when an FOK order is received or reevaluated after the termination of a liquidity refresh pause by the System, the System will execute the FOK order at the NBBO price or better and if the FOK order could not be executed in full at a single price, the FOK order is cancelled. If the MBBO is not at the NBBO at the time the FOK order is received or reevaluated after the termination of a liquidity refresh pause or the FOK order is not fully executable against any orders or quotes in the System, the FOK order will be immediately cancelled. [An FOK order will not be eligible for automatic resubmission as a new order for Members who have instructed the Exchange in writing to re-enter remaining contracts.]

(g) **Handling of Intermarket Sweep Orders and Intermarket Sweep eQuote ("ISOs").** As defined in Rule 516(f) and Rule 517(a)(2)(vi), ISOs are immediately executable in the System and are not eligible for routing to another exchange. As noted above, ISOs will not be handled in accordance with the price protection processes set forth in paragraph (c). The System will execute an ISO at multiple prices until (i) the ISO has been exhausted or its order has been completely filled; or (ii) the executions have reached the

ISO's limit order price, whichever occurs first. Unexecuted contracts remaining from an ISO order will be immediately cancelled [and are not eligible for automatic resubmission as a new order for Members who have instructed the Exchange in writing to re-enter remaining contracts].

(h) No change.

Interpretations and Policies:

.01 <u>Reserved</u> [A Member may submit written instructions to the Exchange designating orders the Member submits as eligible for automatic resubmission when the order or any remaining part of the order has been automatically cancelled by the System. The resubmitted order will be automatically submitted as a new order. This automatic resubmission functionality of the System will not apply to Immediate or Cancel, Fill or Kill or Intermarket Sweep Orders.]

.02 - .04 No change.

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