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

File No.* SR - 2019 - * 20

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 *).

Amend Fee Schedule to adjust and adopt certain SPIKES transaction fees

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 *	Gregory	Last Name *	Ziegler

Title *   Senior Associate Counsel

E-mail *   gziegler@miaxoptions.com

Telephone *   (609) 897-1483   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   04/11/2019

By   Gregory P. Ziegler

(Name *)

Senior Associate Counsel

gziegler@miami-holdings.com

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.

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
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For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

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

Exhibit 1 - Notice of Proposed Rule Change *

[Add] [Remove] [View]

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

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

[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 "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") to adjust and adopt certain SPIKES transaction fees. The Exchange initially filed the proposal on March 29, 2019 (SR-MIAX-2019-18). That filing has been withdrawn and replaced with the current filing (SR-MIAX-2019-20).

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

(b) Not applicable.

(c) Not applicable.

2.   Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the 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 change.

Questions and comments on the proposed rule change may be directed to Gregory P. Ziegler, Assistant Vice President and Senior Associate Counsel, (609) 897-1483.

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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.   Purpose

The Exchange adopted its initial SPIKES transaction fees on February 15, 2019.[3] The Exchange now proposes to amend the Fee Schedule to adjust and adopt certain SPIKES transaction fees. Specifically, the Exchange proposes to (i) adopt new fees for SPIKES Combinations;[4] (ii) change the complex fees so that complex orders are charged the same fees as simple orders of the same Origin (and combined in the same fee table), using the simple maker and taker fee structure already in place; (iii) adjust the number of contracts in the Simple Large Trade Discount Threshold, adjust the number of contracts in the Complex Large Trade Discount Threshold, and create a new, stand-alone column in the table for the Complex Large Trade Discount; (iv) establish a new PRIME Large Trade Discount and a new cPRIME Large Trade Discount; and (v) make a non-substantive, technical change to the Fee Schedule.

    SPIKES Combinations

The Exchange is proposing to adopt new transaction fees for SPIKES Combinations. A SPIKES Combination is a specific type of complex order, which will have separate pricing from all other SPIKES complex orders. The Exchange is proposing to insert the definition of a SPIKES Combination beneath the SPIKES Simple and Complex Fees table on its Fee Schedule. Generally, a SPIKES Combination is a type of complex strategy that is designed to replicate the exposure provided by a futures contract. Accordingly, the Exchange is proposing to have

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3   See Securities Exchange Release No. 85283 (March 11, 2019), 84 FR 9567 (March 15, 2019) (SR-MIAX-2019-11). (The Exchange initially filed the proposal on February 15, 2019 (SR-MIAX-2019-04). That filing was withdrawn and replaced with (SR-MIAX-2019-11)).

4   A "Combination" is a purchase (sale) of a SPIKES call option and the sale (purchase) of a SPIKES put option having the same expiration date and strike price.

separate transaction fees for SPIKES Combinations, which will be significantly lower than the

transaction fees for all other types of SPIKES complex orders, with the exception of complex

orders for Priority Customers[5] (which are assessed at the same rate -- $0.00 per contract). For all

Origins other than Priority Customer, the Exchange is proposing a transaction fee of $0.01 per

contract, per leg for SPIKES Combinations. Additionally, the Exchange is proposing to add a

note beneath the SPIKES Simple and Complex Fees table clarifying that, if a complex strategy

contains both a Combination component as well as a non-Combination component, the portion

(i.e., legs) of the complex strategy that comprises the SPIKES Combination will be charged at

the Combination rate, and the portion of the complex strategy that comprises the non-

Combination component will be charged at the applicable complex rates.

Complex Fees

The Exchange is proposing to change the complex fees so that complex orders (other than

SPIKES Combinations) are charged the same fees as simple orders or quotes of the same Origin

(and combined in the same fee table), using the simple maker and taker fee structure already in

place. Currently, the Exchange charges a single fee for complex orders based on Origin,

regardless of whether such order was a maker or a taker. As proposed, the Exchange will now

charge complex orders, depending on whether such order is a maker or a taker, and based on the

Origin. Except for Priority Customer Origin (which will be assessed a charge of $0.00 per

contract, whether maker or taker), all Origins will be charged the same maker or taker rate for

complex orders as the Origin is currently charged for simple orders or quotes. For MIAX

Market Maker and Firm Proprietary Origins, the maker rate is $0.00 and the taker rate is $0.20

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[5]   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). See Exchange Rule
        100.

per contract. Additionally, for MIAX Market Maker and Firm Proprietary Origins, taker fees for

options with a premium price of $0.10 or less will be charged $0.05 per contract for Complex

orders. For non-MIAX Market Maker, Broker-Dealer, and Public Customer that is not a Priority

Customer Origins, the maker rate is $0.10 and the taker rate is $0.25 per contract. The Exchange

also proposes to clarify the rates that apply to all Origins in a Complex Auction.[6] In a Complex

Auction, Priority Customer Origin will be charged the complex maker rate. Origins that are not

a Priority Customer will be charged the applicable complex taker rate. The Exchange proposes

to add a note beneath the Simple and Complex Fees table clarifying such fee applicability for

quotes/orders executed in a Complex Auction.

Simple and Complex Large Trade Discount Thresholds

The Exchange currently has in place a Simple/Complex Large Trade Discount. Pursuant

to such discount program, for any single order/quote, no fee applies to the number of contracts

executed above the threshold amount. The threshold amount is currently set at 175,000

contracts, and applies to both simple and complex orders of all Origins (except for Priority

Customer Origin, which has a threshold amount of 0, because Priority Customer orders are

assessed a fee of $0.00 for simple and complex volume). The Exchange now proposes to create

a separate Large Trade Discount Threshold for both simple and complex orders, and to lower the

threshold amounts for each. As proposed, a simple order that reaches the proposed size

threshold of 10,000 contracts, tied to a single order, will have the relevant fees apply to the

contracts at and below the size threshold for simple volume; no fees shall apply to the number of

contracts executed above the threshold, with certain exceptions. As proposed, a complex order

that reaches the proposed size threshold of 25,000 contracts, tied to a single order, will have the

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[6]   A "Complex Auction" is an auction of a complex order as set forth in Exchange Rule
        518(d). See Exchange Rule 518(a)(3).

relevant fees apply to the contracts at and below the size threshold for complex volume; no fees shall apply to the number of contracts executed above the threshold, with certain exceptions. In the case of each discount program, the exceptions are the same and are not proposed to be changed: the Large Trade Discount does not apply to volume from Priority Customer orders, Maker orders, SPIKES Opening orders, and the Surcharge.

Accordingly, for any simple order/quote, no fee shall apply to the number of contracts executed above the first 10,000 contracts for simple orders and the first 25,000 contracts for complex orders for Market Makers, Non-MIAX Market Makers, Broker-Dealers, Firm Proprietary orders, and Public Customers that are not Priority Customers. The Exchange is not proposing to change that such discount program does not apply to Priority Customer orders because, as discussed, the Exchange is currently charging Priority Customers a $0.00 fee for these volume segments.

As proposed, the SPIKES Simple and Complex Fees table will be as follows:

Simple and Complex Fees[#]						
Origin	Simple /Complex[¥] Maker	Simple /Complex[¥] Taker	Simple Opening	Combination[~!]	Simple Large Trade Discount Threshold[+]	Complex Large Trade Discount Threshold[+]
Priority Customer	$0.00	$0.00	$0.00	$0.00	0	0
Market Maker	$0.00	$0.20[*]	$0.15	$0.01	First 10,000 contracts	First 25,000 contracts
Non-MIAX Market Maker	$0.10	$0.25	$0.15	$0.01	First 10,000 contracts	First 25,000 contracts
Broker-Dealer	$0.10	$0.25	$0.15	$0.01	First 10,000 contracts	First 25,000 contracts
Firm Proprietary	$0.00	$0.20[*]	$0.15	$0.01	First 10,000 contracts	First 25,000 contracts
Public Customer that is Not a Priority Customer	$0.10	$0.25	$0.15	$0.01	First 10,000 contracts	First 25,000 contracts

∗ Taker fees for options with a premium price of $0.10 or less will be charged $0.05 per contract.

~ A "SPIKES Combination" is a purchase (sale) of a SPIKES call option and sale (purchase) of a SPIKES put option having the same expiration date and strike price.

! The SPIKES Combination portion of a SPIKES Combination Order will be charged at the Combination rate and other legs will be charged at the Complex rate. All fees are per contract per leg.

+ Tied to Single Order/Quote ID. For any single order/quote, no fee shall apply to the number of contracts executed above the Simple or Complex Large Trade Discount Threshold. This discount does not apply to Priority Customer orders, Maker orders, SPIKES Opening orders, and the Surcharge.

¥For quotes/orders in a Complex Auction, Priority Customer Complex Orders will receive the Complex Maker rate. Origins that are not a Priority Customer will be charged the applicable Complex Taker rate.

PRIME and cPRIME Large Trade Discounts

The Exchange further proposes to establish a Large Trade Discount program for both

PRIME[7] and cPRIME[8] orders in SPIKES. These discount programs will operate in the same

manner as the discount programs for simple and complex orders, and will have the same

threshold amounts, with one exception described below relating to Priority Customer Origin.

Specifically, the Exchange proposes to establish a Large Trade Discount Threshold for PRIME

orders in the amount of 10,000 contracts. A PRIME order that reaches the proposed size

threshold of 10,000 contracts, tied to a single order, will have the relevant fees apply to the

contracts at and below the size threshold for PRIME volume; no fees shall apply to the number

of contracts executed above the threshold, with certain exceptions described below. Since a

PRIME order is a paired order, the transaction fee will be capped at 10,000 contracts from a

single order, for the Agency Side and Contra Side, independently. Contracts greater than the

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[7]   PRIME is a process by which a Member may electronically submit for execution ("Auction") an order it represents as agent ("Agency Order") against principal interest, and/or an Agency Order against solicited interest. See Exchange Rule 515A(a).

[8]   cPRIME is the process by which a Member may electronically submit a "cPRIME Order" (as defined in Exchange Rule 518(b)(7)) it represents as agent (a "cPRIME Agency Order") against principal or solicited interest for execution (a "cPRIME Auction"). See Interpretation and Policy .12 of Exchange Rule 515A.

threshold will not be charged the transaction fee but will continue to be charged the Surcharge. Responder fees and Break-up Credits will not be capped. The Exchange notes that, unlike the Simple and Complex Large Trade Discount programs, there is a non-zero threshold amount for Priority Customer Origin, which is the same amount as all other Origins. The purpose for having a cap for Priority Customer Origin in the PRIME Large Trade Discount program is because Priority Customer Origin is currently assessed a fee of $0.20 per contract if it is a Contra in the execution. Therefore, the Exchange believes it is appropriate to apply the cap to Priority Customer Origin in this circumstance.

Similarly, the Exchange proposes to establish a Large Trade Threshold for cPRIME orders in the amount of 25,000 contracts. A cPRIME order that reaches the proposed size threshold of 25,000 contracts, tied to a single order, will have the relevant fees apply to the contracts at and below the size threshold for cPRIME volume; no fees shall apply to the number of contracts executed above the threshold, with certain exceptions described below. Since a cPRIME order is a paired order, the transaction fee will be capped at 25,000 contracts that are traded per strategy from a single order, for the Agency Side and for the Contra Side independently. Contracts greater than the threshold will not be charged the transaction fee but will continue to be charged the Surcharge. Responder fees and Break-up Credits will not be capped. The Exchange notes that, unlike the Simple and Complex Large Trade Discount programs, there is a non-zero threshold amount for Priority Customer Origin, which is the same amount as all other Origins. The purpose for having a cap for Priority Customer Origin in the cPRIME Large Trade Discount program is because Priority Customer Origin is currently assessed a fee of $0.20 per contract if it is a Contra in the execution. Therefore, the Exchange believes it is appropriate to apply the cap to Priority Customer Origin in this circumstance.

As proposed, the SPIKES PRIME and cPRIME Fees table will be as follows:

PRIME and cPRIME Fees[#]						
Origin	**Initiating**	**Contra**	**Responder**	**Break-up**	**PRIME Large Trade Discount Threshold[^]**	**cPRIME Large Trade Discount Threshold[◊]**
Priority Customer	$0.00	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Market Maker	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Non-MIAX Market Maker	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Broker-Dealer	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Firm Proprietary	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Public Customer that is Not a Priority Customer	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts

An Index License Surcharge ("Surcharge") of $0.075 will apply to any contract that is executed by an Origin except Priority Customer. The Surcharge applies per contract side per leg. The Surcharge will be waived for the "Waiver Period" which, for purposes of this Section 1)a)xi) of the Fee Schedule, means the period of time from the launch of trading of SPIKES options until such time that the Exchange submits a filing to terminate the Waiver Period. The Exchange will issue a Regulatory Circular announcing the end of the Waiver Period at least fifteen (15) days prior to the termination of the Waiver Period and effective date of such Surcharge.

^ The transaction fee for SPIKES PRIME will be capped at 10,000 contracts from a single order, for the Agency Side and Contra Side independently. Contracts greater than the threshold will not be charged the transaction fee but will continue to be charged the Surcharge. Responder fees and Break-up Credits will not be capped.

◊ The transaction fee for SPIKES cPRIME will be capped at 25,000 contracts that are traded per strategy from a single order, for the Agency Side and for the Contra Side independently. Contracts greater than the threshold will not be charged the transaction fee but will continue to be charged the Surcharge. Responder fees and Break-up Credits will not be capped.

SPIKES Settlement Day SPY Opening Auction Fees

SPIKES Settlement Day SPY Opening Auction Fees	
Origin	SPY Opening Quotes/Orders¤
Priority Customer	$0.00
Market Maker	$0.03
Non-MIAX Market Maker	$0.06
Broker-Dealer	$0.06
Firm Proprietary	$0.03
Public Customer that is Not a Priority Customer	$0.06

¤   These fees will be charged to each side of all trades occurring in the SPY opening in the expiration month used to determine SPIKES settlement on settlement day only; in lieu of any other fees in the Fee Schedule.

The Exchange proposes to make a minor non-substantive technical correction to the SPIKES Settlement Day SPY Opening Auction Fees table. The Exchange proposes to amend the column heading for SPY Opening Orders to include Quotes to clarify that the fees listed apply to both SPY Opening Quotes and Orders. These fees are only applicable on SPIKES settlement day. The purpose for lower, separate fees for these SPY transactions is to encourage Market Makers and other market participants that need to unwind a SPIKES hedge to participate in the Opening Auction, by making the pricing more attractive.

The Exchange believes that each of the proposed SPIKES transaction fee changes described herein are reasonable in that they are designed to encourage market participants to provide liquidity for SPIKES index options on the Exchange.

b.   Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act[9] in general, and furthers the objectives of Section 6(b)(4) of the Act[10] in

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[9]   15 U.S.C. 78f(b).

particular, in that it provides for the equitable allocation of reasonable dues, fees and other

charges among Exchange Members[11] 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[12] in

that it is designed to promote just and equitable principles of trade, to remove impediments to and

perfect the mechanism of a free and open market and a national market system, and, in general to

protect investors and the public interest and is not designed to permit unfair discrimination

between customer, issuers, brokers and dealers.

SPIKES Combinations and Complex Fees

The Exchange believes that the proposed fee changes for transactions in SPIKES

Combinations and complex orders is consistent with Section 6(b)(4) of the Act in that they are

reasonable, equitable, and not unfairly discriminatory. The proposed fee changes are reasonably

designed because they are intended to incentivize market participants to transact in SPIKES

index options on the Exchange, which enables the Exchange to improve its overall

competitiveness and strengthen its market quality for all market participants in SPIKES index

options.

The Exchange believes that it is reasonable to establish separate pricing for SPIKES

Combinations, in order to encourage trading in SPIKES Combinations on the Exchange.

Generally, a SPIKES Combination is a type of complex strategy that is designed to replicate the

exposure provided by a futures contract. Accordingly, the Exchange believes it is appropriate to

have separate transaction fees for SPIKES Combinations, which will be significantly lower than

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[10]   15 U.S.C. 78f(b)(4).

[11]   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.

[12]   15 U.S.C. 78f(b)(5).

the transaction fees for all other types of complex orders, with the exception of complex orders

for Priority Customers (which are assessed at the same rate -- $0.00 per contract). A SPIKES

Combination will be charged lower fees than a standard SPIKES complex order. The Exchange

also believes combining complex maker and taker fees with the respective simple maker and

taker fees simplifies the Exchange's fee structure, which benefits investors as it clarifies the

Exchange's fees and reduces the risk of confusion.

The Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to

apportion Complex Auction fees among participants by Origin. Priority Customer Complex

orders will be assessed the Complex Maker rate of $0.00 per contract, and Origins that are not a

Priority Customer will be charged the applicable Complex Taker rate. During a Complex

Auction there is no Maker/Taker distinction, therefore the Exchange will assign a role, and

applicable fee, based upon Origin. The Exchange notes that other exchanges employ this

methodology in similar circumstances.[13] The Exchange believes this a fair and equitable way to

apportion fees among participants in a Complex Auction.

The proposed SPIKES Combination fees and complex fees are reasonable, equitable, and

not unfairly discriminatory because they will apply similarly to Priority Customer orders, Market

Maker orders, Non-MIAX Market Maker orders, Broker Dealer orders, Firm Proprietary orders,

and Public Customers that are not Priority Customers orders, in each respective category of

SPIKES index option orders. All similarly situated categories of participants are subject to the

same transaction fee and rebate schedule, and access to the Exchange is offered on terms that are

not unfairly discriminatory.

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[13]   See Nasdaq GEMX Options 7, Section 3, Footnote 4.

The exchanges in general have historically aimed to improve markets for investors and develop various features within market structure for customer benefit. The Exchange assesses Priority Customers lower or no transaction fees because Priority Customer order flow enhances liquidity on the Exchange for the benefit of all market participants. Priority Customer liquidity benefits all market participants by providing more trading opportunities, which attracts Market Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants.

Moreover, the Exchange believes that assessing all other market participants that are not Priority Customers a higher transaction fee than Priority Customers for SPIKES Combinations and complex orders is reasonable, equitable, and not unfairly discriminatory because these types of market participants are more sophisticated and have higher levels of order flow activity and system usage. This level of trading activity draws on a greater amount of system resources than that of Priority Customers. Further, the Exchange believes it is equitable and not unfairly discriminatory to assess all other market participants that are not Priority Customers, Market Makers, or Firm Proprietary orders a higher complex maker and taker fees for orders in SPIKES options because Priority Customers, Market Makers, and Firm Proprietary orders bring valuable liquidity to the market, which in turn benefits other market participants. Priority Customer and Firm Proprietary order flow enhances liquidity on the Exchange for the benefit of all market participants. Specifically, Priority Customer and Firm Proprietary order flow liquidity benefits all market participants (as Priority Customer and Firm Proprietary orders are generally providers of liquidity) by providing more robust trading opportunities, which attracts Market Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may

cause an additional corresponding increase in order flow from other market participants, which in turn benefits the market as a whole.

Simple and Complex Large Trade Discount Thresholds

The Exchange believes reducing the Large Trade Discount Threshold for simple orders or quotes from 175,000 to 10,000 is reasonable, equitable, and not unfairly discriminatory because it provides an incentive for Members to submit large sized simple orders or quotes to the Exchange, which will benefit all market participants. All similarly situated categories of participants are subject to the same threshold (except for Priority Customers which are not charged a transaction fee otherwise, so no discount is necessary), and access to the Exchange is offered on terms that are not unfairly discriminatory. Additionally, the Exchange believes that creating a separate Large Trade Discount for complex orders at 25,000 contracts is reasonable, equitable, and not unfairly discriminatory because it provides an incentive for Members to submit large sized complex orders to the Exchange, which will benefit all market participants. All similarly situated categories of participants are subject to the same threshold (except for Priority Customers which are not charged a transaction fee otherwise, so no discount is necessary), and access to the Exchange is offered on terms that are not unfairly discriminatory.

PRIME and cPRIME Large Trade Discounts

The Exchange believes that offering Members a Large Trade Discount for PRIME orders and cPRIME orders with identical thresholds as those proposed for simple and complex orders, respectively, is reasonable, equitable, and not unfairly discriminatory because it provides an incentive for Members to submit large sized PRIME and cPRIME liquidity to the Exchange, which will benefit all market participants. All similarly situated categories of participants are

subject to the same discount, and access to the Exchange is offered on terms that are not unfairly discriminatory.

The Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to not cap Responder fees as there is no cap on corresponding Break-up Credits. The Exchange believes it is necessary to provide Break-up Credits in order to incentivize Members to submit PRIME and cPRIME orders to the Exchange, which provides important price improvement opportunities for Agency orders. The Exchange notes that other exchanges exclude response fees from fee caps as well, including Nasdaq ISE, which excludes Crossing Orders from the firm fee cap.[14]

SPIKES Settlement Day SPY Opening Auction Fees

The non-substantive technical change proposed to the column heading for SPY Opening Orders to include Quotes promotes just and equitable principles of trade, removes impediments to and perfects the mechanism of a free and open market and a national market system, and, in general protects investors and the public interest by providing additional detail and clarity regarding fees charged by the Exchange. It is in the best interest of investors and the public for fees to be as clear and concise as possible so that investors and the public may make informed decisions regarding their orders.

The purpose for adopting lower, separate fees for these SPY transactions is to encourage Market Makers and other market participants that need to unwind a SPIKES hedge to participate in the Opening Auction, by making the pricing more attractive. Specifically, market participants holding short, hedged SPIKES options could liquidate that hedge by selling their SPY options series, while traders holding long, hedged SPIKES options could liquidate their hedge by buying

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[14]   See Nasdaq ISE, Options 7, Section 6(H).

SPY option series. These market participants may liquidate their hedges by submitting SPIKES strategy orders in the appropriate SPY option series during the SPIKES Special Settlement Auction[15] on the SPIKES expiration/final settlement date.

The Exchange believes that the fee and rebate structure for transactions involving SPY Opening orders for options that are used in the calculation of the SPIKES Index on final settlement day is reasonable, equitable, and not unfairly discriminatory because it will apply similarly to Priority Customer orders, Market Maker orders, Non-MIAX Market Maker orders, Broker Dealer orders, Firm Proprietary orders, and Public Customers that are not Priority Customers orders, in each respective category of such orders.

The Exchange currently applies fees to orders that participate in the SPIKES Settlement Day SPY Opening Auction.[16] The Exchange believes it would not be unfairly discriminatory to apply an identical fee structure to quotes that participate in the SPIKES Settlement Day SPY Opening Auction. The Exchange believes that the fee and rebate structure for transactions involving SPY Opening Quotes for options that are used in the calculation of the SPIKES Index on final settlement day is reasonable, equitable, and not unfairly discriminatory because it will apply similarly to all Market Makers. All similarly situated categories of participants are subject to the same transaction fee and rebate schedule, and access to the Exchange is offered on terms that are not unfairly discriminatory.

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

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[15]   See Exchange Rule 503, Interpretations and Policies .03.

[16]   See Securities Exchange Release No. 85283 (March 11, 2019), 84 FR 9567 (March 15, 2019) (SR-MIAX-2019-11) (Proposal to amend the MIAX Options Fee Schedule to adopt transaction fees and rebates for SPIKES index option orders and quotes).

Exchange believes that the proposed change will enhance the competitiveness of the Exchange relative to other exchanges that offer their own singly-listed products. The Exchange believes that the proposed fees and rebates for transactions in SPIKES index options are not going to have an impact on intra-market competition based on the total cost for participants to transact in such order types versus the cost for participants to transact in other order types available for trading on the Exchange.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues and competing products if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow to the Exchange. The Exchange believes that the proposed rule change reflects this competitive environment because it is adjusting its fees in a manner that encourages market participants to provide liquidity in SPIKES index options, and to attract additional transaction volume to the Exchange.

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,[17] and Rule 19b-4(f)(2) thereunder[18] the Exchange has designated this proposal as establishing or changing a due, fee, or other charge

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[17]   15 U.S.C. 78s(b)(3)(A)(ii).

imposed on any person, whether or not the person is a member of the self-regulatory

organization, which renders the proposed rule change effective upon filing.

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

The proposed rule change is not based on the rules of another SRO or 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

Not applicable.

11.   Exhibits

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

5. Applicable Section of the MIAX Options Fee Schedule.

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[18]   17 CFR 240.19b-4.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-   ; File No. SR-MIAX-2019-20)

April__, 2019

     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 April 11, 2019, 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") to adjust and adopt certain SPIKES transaction fees. The Exchange initially filed the

proposal on March 29, 2019 (SR-MIAX-2019-18). That filing has been withdrawn and replaced

with the current filing (SR-MIAX-2019-20).

     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.

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

[2]   17 CFR 240.19b-4.

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

In its filing with the Commission, the Exchange included statements concerning the

purpose of and basis for the proposed rule change and discussed any comments it received on

the proposed rule change. The text of these statements may be examined at the places specified

in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C

below, of the most significant aspects of such statements.

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

       1.   Purpose

The Exchange adopted its initial SPIKES transaction fees on February 15, 2019.[3] The

Exchange now proposes to amend the Fee Schedule to adjust and adopt certain SPIKES

transaction fees. Specifically, the Exchange proposes to (i) adopt new fees for SPIKES

Combinations;[4] (ii) change the complex fees so that complex orders are charged the same fees as

simple orders of the same Origin (and combined in the same fee table), using the simple maker

and taker fee structure already in place; (iii) adjust the number of contracts in the Simple Large

Trade Discount Threshold, adjust the number of contracts in the Complex Large Trade Discount

Threshold, and create a new, stand-alone column in the table for the Complex Large Trade

Discount; (iv) establish a new PRIME Large Trade Discount and a new cPRIME Large Trade

Discount; and (v) make a non-substantive, technical change to the Fee Schedule.

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[3]   See Securities Exchange Release No. 85283 (March 11, 2019), 84 FR 9567 (March 15,
       2019) (SR-MIAX-2019-11). (The Exchange initially filed the proposal on February 15,
       2019 (SR-MIAX-2019-04). That filing was withdrawn and replaced with (SR-MIAX-
       2019-11)).

[4]   A "Combination" is a purchase (sale) of a SPIKES call option and the sale (purchase) of
       a SPIKES put option having the same expiration date and strike price.

SPIKES Combinations

The Exchange is proposing to adopt new transaction fees for SPIKES Combinations. A

SPIKES Combination is a specific type of complex order, which will have separate pricing from

all other SPIKES complex orders. The Exchange is proposing to insert the definition of a

SPIKES Combination beneath the SPIKES Simple and Complex Fees table on its Fee Schedule.

Generally, a SPIKES Combination is a type of complex strategy that is designed to replicate the

exposure provided by a futures contract. Accordingly, the Exchange is proposing to have

separate transaction fees for SPIKES Combinations, which will be significantly lower than the

transaction fees for all other types of SPIKES complex orders, with the exception of complex

orders for Priority Customers[5] (which are assessed at the same rate -- $0.00 per contract). For all

Origins other than Priority Customer, the Exchange is proposing a transaction fee of $0.01 per

contract, per leg for SPIKES Combinations. Additionally, the Exchange is proposing to add a

note beneath the SPIKES Simple and Complex Fees table clarifying that, if a complex strategy

contains both a Combination component as well as a non-Combination component, the portion

(i.e., legs) of the complex strategy that comprises the SPIKES Combination will be charged at

the Combination rate, and the portion of the complex strategy that comprises the non-

Combination component will be charged at the applicable complex rates.

Complex Fees

The Exchange is proposing to change the complex fees so that complex orders (other than

SPIKES Combinations) are charged the same fees as simple orders or quotes of the same Origin

(and combined in the same fee table), using the simple maker and taker fee structure already in

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[5]   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). See Exchange Rule
        100.

place. Currently, the Exchange charges a single fee for complex orders based on Origin,

regardless of whether such order was a maker or a taker. As proposed, the Exchange will now

charge complex orders, depending on whether such order is a maker or a taker, and based on the

Origin. Except for Priority Customer Origin (which will be assessed a charge of $0.00 per

contract, whether maker or taker), all Origins will be charged the same maker or taker rate for

complex orders as the Origin is currently charged for simple orders or quotes. For MIAX

Market Maker and Firm Proprietary Origins, the maker rate is $0.00 and the taker rate is $0.20

per contract. Additionally, for MIAX Market Maker and Firm Proprietary Origins, taker fees for

options with a premium price of $0.10 or less will be charged $0.05 per contract for Complex

orders. For non-MIAX Market Maker, Broker-Dealer, and Public Customer that is not a Priority

Customer Origins, the maker rate is $0.10 and the taker rate is $0.25 per contract. The Exchange

also proposes to clarify the rates that apply to all Origins in a Complex Auction.[6] In a Complex

Auction, Priority Customer Origin will be charged the complex maker rate. Origins that are not

a Priority Customer will be charged the applicable complex taker rate. The Exchange proposes

to add a note beneath the Simple and Complex Fees table clarifying such fee applicability for

quotes/orders executed in a Complex Auction.

<u>Simple and Complex Large Trade Discount Thresholds</u>

The Exchange currently has in place a Simple/Complex Large Trade Discount. Pursuant

to such discount program, for any single order/quote, no fee applies to the number of contracts

executed above the threshold amount. The threshold amount is currently set at 175,000

contracts, and applies to both simple and complex orders of all Origins (except for Priority

Customer Origin, which has a threshold amount of 0, because Priority Customer orders are

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[6]   A "Complex Auction" is an auction of a complex order as set forth in Exchange Rule
        518(d). <u>See</u> Exchange Rule 518(a)(3).

assessed a fee of $0.00 for simple and complex volume). The Exchange now proposes to create

a separate Large Trade Discount Threshold for both simple and complex orders, and to lower the

threshold amounts for each. As proposed, a simple order that reaches the proposed size

threshold of 10,000 contracts, tied to a single order, will have the relevant fees apply to the

contracts at and below the size threshold for simple volume; no fees shall apply to the number of

contracts executed above the threshold, with certain exceptions. As proposed, a complex order

that reaches the proposed size threshold of 25,000 contracts, tied to a single order, will have the

relevant fees apply to the contracts at and below the size threshold for complex volume; no fees

shall apply to the number of contracts executed above the threshold, with certain exceptions. In

the case of each discount program, the exceptions are the same and are not proposed to be

changed: the Large Trade Discount does not apply to volume from Priority Customer orders,

Maker orders, SPIKES Opening orders, and the Surcharge.

Accordingly, for any simple order/quote, no fee shall apply to the number of contracts

executed above the first 10,000 contracts for simple orders and the first 25,000 contracts for

complex orders for Market Makers, Non-MIAX Market Makers, Broker-Dealers, Firm

Proprietary orders, and Public Customers that are not Priority Customers. The Exchange is not

proposing to change that such discount program does not apply to Priority Customer orders

because, as discussed, the Exchange is currently charging Priority Customers a $0.00 fee for

these volume segments.

As proposed, the SPIKES Simple and Complex Fees table will be as follows:

Simple and Complex Fees[#]						
Origin	Simple /Complex[¥] Maker	Simple /Complex[¥] Taker	Simple Opening	Combination[~!]	Simple Large Trade Discount Threshold[+]	Complex Large Trade Discount Threshold[+]
Priority Customer	$0.00	$0.00	$0.00	$0.00	0	0
Market Maker	$0.00	$0.20[*]	$0.15	$0.01	First 10,000 contracts	First 25,000 contracts
Non-MIAX Market Maker	$0.10	$0.25	$0.15	$0.01	First 10,000 contracts	First 25,000 contracts
Broker-Dealer	$0.10	$0.25	$0.15	$0.01	First 10,000 contracts	First 25,000 contracts
Firm Proprietary	$0.00	$0.20[*]	$0.15	$0.01	First 10,000 contracts	First 25,000 contracts
Public Customer that is Not a Priority Customer	$0.10	$0.25	$0.15	$0.01	First 10,000 contracts	First 25,000 contracts

∗ Taker fees for options with a premium price of $0.10 or less will be charged $0.05 per contract.

~ A "SPIKES Combination" is a purchase (sale) of a SPIKES call option and sale (purchase) of a SPIKES put option having the same expiration date and strike price.

! The SPIKES Combination portion of a SPIKES Combination Order will be charged at the Combination rate and other legs will be charged at the Complex rate. All fees are per contract per leg.

+ Tied to Single Order/Quote ID. For any single order/quote, no fee shall apply to the number of contracts executed above the Simple or Complex Large Trade Discount Threshold. This discount does not apply to Priority Customer orders, Maker orders, SPIKES Opening orders, and the Surcharge.

¥ For quotes/orders in a Complex Auction, Priority Customer Complex Orders will receive the Complex Maker rate. Origins that are not a Priority Customer will be charged the applicable Complex Taker rate.

PRIME and cPRIME Large Trade Discounts

The Exchange further proposes to establish a Large Trade Discount program for both

PRIME[7] and cPRIME[8] orders in SPIKES. These discount programs will operate in the same

manner as the discount programs for simple and complex orders, and will have the same

threshold amounts, with one exception described below relating to Priority Customer Origin.

Specifically, the Exchange proposes to establish a Large Trade Discount Threshold for PRIME

orders in the amount of 10,000 contracts. A PRIME order that reaches the proposed size

threshold of 10,000 contracts, tied to a single order, will have the relevant fees apply to the

contracts at and below the size threshold for PRIME volume; no fees shall apply to the number

of contracts executed above the threshold, with certain exceptions described below. Since a

PRIME order is a paired order, the transaction fee will be capped at 10,000 contracts from a

single order, for the Agency Side and Contra Side, independently. Contracts greater than the

threshold will not be charged the transaction fee but will continue to be charged the Surcharge.

Responder fees and Break-up Credits will not be capped. The Exchange notes that, unlike the

Simple and Complex Large Trade Discount programs, there is a non-zero threshold amount for

Priority Customer Origin, which is the same amount as all other Origins. The purpose for having

a cap for Priority Customer Origin in the PRIME Large Trade Discount program is because

Priority Customer Origin is currently assessed a fee of $0.20 per contract if it is a Contra in the

execution. Therefore, the Exchange believes it is appropriate to apply the cap to Priority

Customer Origin in this circumstance.

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[7]   PRIME is a process by which a Member may electronically submit for execution
        ("Auction") an order it represents as agent ("Agency Order") against principal interest,
        and/or an Agency Order against solicited interest. See Exchange Rule 515A(a).

[8]   cPRIME is the process by which a Member may electronically submit a "cPRIME Order"
        (as defined in Exchange Rule 518(b)(7)) it represents as agent (a "cPRIME Agency
        Order") against principal or solicited interest for execution (a "cPRIME Auction"). See
        Interpretation and Policy .12 of Exchange Rule 515A.

Similarly, the Exchange proposes to establish a Large Trade Threshold for cPRIME orders in the amount of 25,000 contracts. A cPRIME order that reaches the proposed size threshold of 25,000 contracts, tied to a single order, will have the relevant fees apply to the contracts at and below the size threshold for cPRIME volume; no fees shall apply to the number of contracts executed above the threshold, with certain exceptions described below. Since a cPRIME order is a paired order, the transaction fee will be capped at 25,000 contracts that are traded per strategy from a single order, for the Agency Side and for the Contra Side independently. Contracts greater than the threshold will not be charged the transaction fee but will continue to be charged the Surcharge. Responder fees and Break-up Credits will not be capped. The Exchange notes that, unlike the Simple and Complex Large Trade Discount programs, there is a non-zero threshold amount for Priority Customer Origin, which is the same amount as all other Origins. The purpose for having a cap for Priority Customer Origin in the cPRIME Large Trade Discount program is because Priority Customer Origin is currently assessed a fee of $0.20 per contract if it is a Contra in the execution. Therefore, the Exchange believes it is appropriate to apply the cap to Priority Customer Origin in this circumstance.

As proposed, the SPIKES PRIME and cPRIME Fees table will be as follows:

PRIME and cPRIME Fees[#]						
Origin	Initiating	Contra	Responder	Break-up	PRIME Large Trade Discount Threshold[^]	cPRIME Large Trade Discount Threshold[◊]
Priority Customer	$0.00	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Market Maker	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Non-MIAX Market Maker	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Broker-Dealer	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Firm Proprietary	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Public Customer that is Not a Priority Customer	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts

[#] An Index License Surcharge ("Surcharge") of $0.075 will apply to any contract that is executed by an Origin except Priority Customer. The Surcharge applies per contract side per leg. The Surcharge will be waived for the "Waiver Period" which, for purposes of this Section 1)a)xi) of the Fee Schedule, means the period of time from the launch of trading of SPIKES options until such time that the Exchange submits a filing to terminate the Waiver Period. The Exchange will issue a Regulatory Circular announcing the end of the Waiver Period at least fifteen (15) days prior to the termination of the Waiver Period and effective date of such Surcharge.

[^] The transaction fee for SPIKES PRIME will be capped at 10,000 contracts from a single order, for the Agency Side and Contra Side independently. Contracts greater than the threshold will not be charged the transaction fee but will continue to be charged the Surcharge. Responder fees and Break-up Credits will not be capped.

[◊] The transaction fee for SPIKES cPRIME will be capped at 25,000 contracts that are traded per strategy from a single order, for the Agency Side and for the Contra Side independently. Contracts greater than the threshold will not be charged the transaction fee but will continue to be charged the Surcharge. Responder fees and Break-up Credits will not be capped.

SPIKES Settlement Day SPY Opening Auction Fees

SPIKES Settlement Day SPY Opening Auction Fees	
Origin	SPY Opening Quotes/Orders¤
Priority Customer	$0.00
Market Maker	$0.03
Non-MIAX Market Maker	$0.06
Broker-Dealer	$0.06
Firm Proprietary	$0.03
Public Customer that is Not a Priority Customer	$0.06

¤   These fees will be charged to each side of all trades occurring in the SPY opening in the expiration month used to determine SPIKES settlement on settlement day only; in lieu of any other fees in the Fee Schedule.

The Exchange proposes to make a minor non-substantive technical correction to the SPIKES Settlement Day SPY Opening Auction Fees table. The Exchange proposes to amend the column heading for SPY Opening Orders to include Quotes to clarify that the fees listed apply to both SPY Opening Quotes and Orders. These fees are only applicable on SPIKES settlement day. The purpose for lower, separate fees for these SPY transactions is to encourage Market Makers and other market participants that need to unwind a SPIKES hedge to participate in the Opening Auction, by making the pricing more attractive.

The Exchange believes that each of the proposed SPIKES transaction fee changes described herein are reasonable in that they are designed to encourage market participants to provide liquidity for SPIKES index options on the Exchange.

2.   Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act[9] in general, and furthers the objectives of Section 6(b)(4) of the Act[10] in particular, in that it provides for the equitable allocation of reasonable dues, fees and other

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[9]   15 U.S.C. 78f(b).

[10]   15 U.S.C. 78f(b)(4).

charges among Exchange Members[11] 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[12] in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customer, issuers, brokers and dealers.

SPIKES Combinations and Complex Fees

The Exchange believes that the proposed fee changes for transactions in SPIKES Combinations and complex orders is consistent with Section 6(b)(4) of the Act in that they are reasonable, equitable, and not unfairly discriminatory. The proposed fee changes are reasonably designed because they are intended to incentivize market participants to transact in SPIKES index options on the Exchange, which enables the Exchange to improve its overall competitiveness and strengthen its market quality for all market participants in SPIKES index options.

The Exchange believes that it is reasonable to establish separate pricing for SPIKES Combinations, in order to encourage trading in SPIKES Combinations on the Exchange. Generally, a SPIKES Combination is a type of complex strategy that is designed to replicate the exposure provided by a futures contract. Accordingly, the Exchange believes it is appropriate to have separate transaction fees for SPIKES Combinations, which will be significantly lower than the transaction fees for all other types of complex orders, with the exception of complex orders for Priority Customers (which are assessed at the same rate -- $0.00 per contract). A SPIKES

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[11]   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.

[12]   15 U.S.C. 78f(b)(5).

Combination will be charged lower fees than a standard SPIKES complex order. The Exchange
also believes combining complex maker and taker fees with the respective simple maker and
taker fees simplifies the Exchange's fee structure, which benefits investors as it clarifies the
Exchange's fees and reduces the risk of confusion.

The Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to
apportion Complex Auction fees among participants by Origin. Priority Customer Complex
orders will be assessed the Complex Maker rate of $0.00 per contract, and Origins that are not a
Priority Customer will be charged the applicable Complex Taker rate. During a Complex
Auction there is no Maker/Taker distinction, therefore the Exchange will assign a role, and
applicable fee, based upon Origin. The Exchange notes that other exchanges employ this
methodology in similar circumstances.[13] The Exchange believes this a fair and equitable way to
apportion fees among participants in a Complex Auction.

The proposed SPIKES Combination fees and complex fees are reasonable, equitable, and
not unfairly discriminatory because they will apply similarly to Priority Customer orders, Market
Maker orders, Non-MIAX Market Maker orders, Broker Dealer orders, Firm Proprietary orders,
and Public Customers that are not Priority Customers orders, in each respective category of
SPIKES index option orders. All similarly situated categories of participants are subject to the
same transaction fee and rebate schedule, and access to the Exchange is offered on terms that are
not unfairly discriminatory.

The exchanges in general have historically aimed to improve markets for investors and
develop various features within market structure for customer benefit. The Exchange assesses
Priority Customers lower or no transaction fees because Priority Customer order flow enhances
liquidity on the Exchange for the benefit of all market participants. Priority Customer liquidity

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[13]   See Nasdaq GEMX Options 7, Section 3, Footnote 4.

benefits all market participants by providing more trading opportunities, which attracts Market Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants.

Moreover, the Exchange believes that assessing all other market participants that are not Priority Customers a higher transaction fee than Priority Customers for SPIKES Combinations and complex orders is reasonable, equitable, and not unfairly discriminatory because these types of market participants are more sophisticated and have higher levels of order flow activity and system usage. This level of trading activity draws on a greater amount of system resources than that of Priority Customers. Further, the Exchange believes it is equitable and not unfairly discriminatory to assess all other market participants that are not Priority Customers, Market Makers, or Firm Proprietary orders a higher complex maker and taker fees for orders in SPIKES options because Priority Customers, Market Makers, and Firm Proprietary orders bring valuable liquidity to the market, which in turn benefits other market participants. Priority Customer and Firm Proprietary order flow enhances liquidity on the Exchange for the benefit of all market participants. Specifically, Priority Customer and Firm Proprietary order flow liquidity benefits all market participants (as Priority Customer and Firm Proprietary orders are generally providers of liquidity) by providing more robust trading opportunities, which attracts Market Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants, which in turn benefits the market as a whole.

Simple and Complex Large Trade Discount Thresholds

The Exchange believes reducing the Large Trade Discount Threshold for simple orders or quotes from 175,000 to 10,000 is reasonable, equitable, and not unfairly discriminatory because

it provides an incentive for Members to submit large sized simple orders or quotes to the Exchange, which will benefit all market participants. All similarly situated categories of participants are subject to the same threshold (except for Priority Customers which are not charged a transaction fee otherwise, so no discount is necessary), and access to the Exchange is offered on terms that are not unfairly discriminatory. Additionally, the Exchange believes that creating a separate Large Trade Discount for complex orders at 25,000 contracts is reasonable, equitable, and not unfairly discriminatory because it provides an incentive for Members to submit large sized complex orders to the Exchange, which will benefit all market participants. All similarly situated categories of participants are subject to the same threshold (except for Priority Customers which are not charged a transaction fee otherwise, so no discount is necessary), and access to the Exchange is offered on terms that are not unfairly discriminatory.

PRIME and cPRIME Large Trade Discounts

The Exchange believes that offering Members a Large Trade Discount for PRIME orders and cPRIME orders with identical thresholds as those proposed for simple and complex orders, respectively, is reasonable, equitable, and not unfairly discriminatory because it provides an incentive for Members to submit large sized PRIME and cPRIME liquidity to the Exchange, which will benefit all market participants. All similarly situated categories of participants are subject to the same discount, and access to the Exchange is offered on terms that are not unfairly discriminatory.

The Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to not cap Responder fees as there is no cap on corresponding Break-up Credits. The Exchange believes it is necessary to provide Break-up Credits in order to incentivize Members to submit PRIME and cPRIME orders to the Exchange, which provides important price improvement opportunities for Agency orders. The Exchange notes that other exchanges exclude response fees

from fee caps as well, including Nasdaq ISE, which excludes Crossing Orders from the firm fee cap.[14]

SPIKES Settlement Day SPY Opening Auction Fees

The non-substantive technical change proposed to the column heading for SPY Opening Orders to include Quotes promotes just and equitable principles of trade, removes impediments to and perfects the mechanism of a free and open market and a national market system, and, in general protects investors and the public interest by providing additional detail and clarity regarding fees charged by the Exchange. It is in the best interest of investors and the public for fees to be as clear and concise as possible so that investors and the public may make informed decisions regarding their orders.

The purpose for adopting lower, separate fees for these SPY transactions is to encourage Market Makers and other market participants that need to unwind a SPIKES hedge to participate in the Opening Auction, by making the pricing more attractive. Specifically, market participants holding short, hedged SPIKES options could liquidate that hedge by selling their SPY options series, while traders holding long, hedged SPIKES options could liquidate their hedge by buying SPY option series. These market participants may liquidate their hedges by submitting SPIKES strategy orders in the appropriate SPY option series during the SPIKES Special Settlement Auction[15] on the SPIKES expiration/final settlement date.

The Exchange believes that the fee and rebate structure for transactions involving SPY Opening orders for options that are used in the calculation of the SPIKES Index on final settlement day is reasonable, equitable, and not unfairly discriminatory because it will apply similarly to Priority Customer orders, Market Maker orders, Non-MIAX Market Maker orders,

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[14]   See Nasdaq ISE, Options 7, Section 6(H).

[15]   See Exchange Rule 503, Interpretations and Policies .03.

Broker Dealer orders, Firm Proprietary orders, and Public Customers that are not Priority

Customers orders, in each respective category of such orders.

The Exchange currently applies fees to orders that participate in the SPIKES Settlement

Day SPY Opening Auction.[16] The Exchange believes it would not be unfairly discriminatory to

apply an identical fee structure to quotes that participate in the SPIKES Settlement Day SPY

Opening Auction. The Exchange believes that the fee and rebate structure for transactions

involving SPY Opening Quotes for options that are used in the calculation of the SPIKES Index

on final settlement day is reasonable, equitable, and not unfairly discriminatory because it will

apply similarly to all Market Makers. All similarly situated categories of participants are subject

to the same transaction fee and rebate schedule, and access to the Exchange is offered on terms

that are not unfairly discriminatory.

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

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

competition not necessary or appropriate in furtherance of the purposes of the Act. The

Exchange believes that the proposed change will enhance the competitiveness of the Exchange

relative to other exchanges that offer their own singly-listed products. The Exchange believes

that the proposed fees and rebates for transactions in SPIKES index options are not going to have

an impact on intra-market competition based on the total cost for participants to transact in such

order types versus the cost for participants to transact in other order types available for trading on

the Exchange.

The Exchange notes that it operates in a highly competitive market in which market

participants can readily favor competing venues and competing products if they deem fee levels

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[16]   See Securities Exchange Release No. 85283 (March 11, 2019), 84 FR 9567 (March 15,
         2019) (SR-MIAX-2019-11) (Proposal to amend the MIAX Options Fee Schedule to
         adopt transaction fees and rebates for SPIKES index option orders and quotes).

at a particular venue to be excessive. In such an environment, the Exchange must continually

adjust its fees to remain competitive with other exchanges and to attract order flow to the

Exchange. The Exchange believes that the proposed rule change reflects this competitive

environment because it is adjusting its fees in a manner that encourages market participants to

provide liquidity in SPIKES index options, and to attract additional transaction volume to the

Exchange.

       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>

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

Act,[17] and Rule 19b-4(f)(2)[18] thereunder. At any time within 60 days of the filing of the proposed

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

to the Commission that such action is necessary or appropriate in the public interest, for the

protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission

takes such action, the Commission shall institute proceedings to determine whether the proposed

rule should be approved or disapproved.

IV.   Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning

the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

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[17]   15 U.S.C. 78s(b)(3)(A)(ii).

[18]   17 CFR 240.19b-4(f)(2).

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-2019-20 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-2019-20. 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.

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All submissions should refer to File Number SR-MIAX-2019-20 and should be submitted

on or before [insert date 21 days from publication in the <u>Federal</u> <u>Register</u>]. For the Commission,

by the Division of Trading and Markets, pursuant to delegated authority.[19]

                              Brent J. Fields
                              Secretary

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[19]   17 CFR 200.30-3(a)(12).

Exhibit 5

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

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MIAX Options Fee Schedule

1) Transaction Fees

a) Exchange Fees

i) – x) **No change.**

xi)   **SPIKES**

Simple and Complex Fees#						
Origin	**Simple /Complex¥ Maker**	**Simple /Complex¥ Taker**	**Simple Opening**	**[Complex] Combination ~!**	**Simple [/Complex] Large Trade Discount Threshold+**	**Complex Large Trade Discount Threshold+**
Priority Customer	$0.00	$0.00	$0.00	$0.00	0	0
Market Maker	$0.00	$0.20*	$0.15	$0.01	First [175]10,000 contracts	First 25,000 contracts
Non-MIAX Market Maker	$0.10	$0.25	$0.15	$0.01	First [175]10,000 contracts	First 25,000 contracts
Broker-Dealer	$0.10	$0.25	$0.15	$0.01	First [175]10,000 contracts	First 25,000 contracts
Firm Proprietary	$0.00	$0.20*	$0.15	$0.01	First [175]10,000 contracts	First 25,000 contracts
Public Customer that is Not a Priority Customer	$0.10	$0.25	$0.15	$0.01	First [175]10,000 contracts	First 25,000 contracts

∗ Taker fees for options with a premium price of $0.10 or less will be charged $0.05 per contract.

~ A "SPIKES Combination" is a purchase (sale) of a SPIKES call option and sale (purchase) of a SPIKES put option having the same expiration date and strike price.

! The SPIKES Combination portion of a SPIKES Combination Order will be charged at the Combination rate and other legs will be charged at the Complex rate. All fees are per contract per leg.

+ Tied to Single Order/Quote ID. For any single order/quote, no fee shall apply to the number of contracts executed above the Simple[/] or Complex Large Trade Discount Threshold. This discount does not apply to Priority Customer orders, Maker orders, SPIKES Opening orders, and the Surcharge.

¥For quotes/orders in a Complex Auction, Priority Customer Complex Orders will receive the Complex Maker rate. Origins that are not a Priority Customer will be charged the applicable Complex Taker rate.

PRIME and cPRIME Fees[#]						
Origin	**Initiating**	**Contra**	**Responder**	**Break-up**	**PRIME Large Trade Discount Threshold[^]**	**cPRIME Large Trade Discount Threshold[◊]**
Priority Customer	$0.00	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Market Maker	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Non-MIAX Market Maker	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Broker-Dealer	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Firm Proprietary	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts
Public Customer that is Not a Priority Customer	$0.10	$0.20	$0.25	($0.15)	First 10,000 contracts	First 25,000 contracts

\#   An Index License Surcharge ("Surcharge") of $0.075 will apply to any contract that is executed by an Origin except Priority Customer. The Surcharge applies per contract side per leg. The Surcharge will be waived for the "Waiver Period" which, for purposes of this Section 1)a)xi) of the Fee Schedule, means the period of time from the launch of trading of SPIKES options until such time that the Exchange submits a filing to terminate the Waiver Period. The Exchange will issue a Regulatory Circular announcing the end of the Waiver Period at least fifteen (15) days prior to the termination of the Waiver Period and effective date of such Surcharge.

^   The transaction fee for SPIKES PRIME will be capped at 10,000 contracts from a single order, for the Agency Side and Contra Side independently. Contracts greater than the threshold will not be charged the transaction fee but will continue to be charged the Surcharge. Responder fees and Break-up Credits will not be capped.

◊   The transaction fee for SPIKES cPRIME will be capped at 25,000 contracts that are traded per strategy from a single order, for the Agency Side and for the Contra Side independently. Contracts greater than the threshold will not be charged the transaction fee but will continue to be charged the Surcharge. Responder fees and Break-up Credits will not be capped.

SPIKES Settlement Day SPY Opening Auction Fees	
Origin	**SPY Opening Quotes/Orders[¤]**
Priority Customer	$0.00
Market Maker	$0.03
Non-MIAX Market Maker	$0.06
Broker-Dealer	$0.06
Firm Proprietary	$0.03
Public Customer that is Not a Priority Customer	$0.06

¤   These fees will be charged to each side of all trades occurring in the SPY opening in the expiration month used to determine SPIKES settlement on settlement day only; in lieu of any other fees in the Fee Schedule.

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