OMB APPROVAL	
OMB Number:	3235-0045
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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2019 - * 45

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 Exchange Rule 518 to allow component legs of complex orders to execute outside the NBBO

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   10/22/2019

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.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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

Exhibit 1 - Notice of Proposed Rule Change *

Add   Remove   View

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

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

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

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

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Exhibit Sent As Paper Document
☐

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document
☐

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

Exhibit 4 - Marked Copies

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" 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 Exchange Rule 518, Complex Orders.

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 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, Senior Associate Counsel, at (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 proposes to amend subsection (c)(2)(iii) of Exchange Rule 518, Complex Orders, to remove the provision which provides that a component of a complex order[3] that legs into the Simple Order Book[4] may not execute at a price that is outside the NBBO.[5]

Currently, subsection (c)(2)(iii) provides that complex orders up to a maximum number of legs (determined by the Exchange on a class-by-class basis as either two or three legs and communicated to Members[6] via Regulatory Circular) may be automatically executed against bids and offers on the Simple Order Book for the individual legs of the complex order ("Legging"), provided the complex order can be executed in full or in a permissible ratio by such bids and offers, and provided that the execution price of each component is not executed at a price that is outside of the NBBO.

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[3]   A "complex order" is any order involving the concurrent purchase and/or sale of two or more different options in the same underlying security (the "legs" or "components" of the complex order), for the same account, in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00) and for the purposes of executing a particular investment strategy. Mini-options may only be part of a complex order that includes other mini-options. Only those complex orders in the classes designated by the Exchange and communicated to Members via Regulatory Circular with no more than the applicable number of legs, as determined by the Exchange on a class-by-class basis and communicated to Members via Regulatory Circular, are eligible for processing. See Exchange Rule 518(a)(5).

[4]   The "Simple Order Book" is the Exchange's regular electronic book of orders and quotes. See Exchange Rule 518(a)(15).

[5]   The term "NBBO" means the national best bid or offer as calculated by the Exchange based on market information received by the Exchange from the appropriate Securities Information Processor ("SIP"). See Exchange Rule 518(a)(14).

[6]   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.

The Exchange now proposes to remove the provision of the rule which stipulates that a component of a complex order that legs into the Simple Order Book is not executed at a price that is outside of the NBBO. The Exchange believes removing this provision will improve liquidity on the Exchange's Strategy Book[7] and increase opportunities for execution of complex orders. Under the Exchange's proposal each component leg of a complex order may be executed at a price equal to or better than the MBBO[8] for that leg, but only if the net strategy price is not through the Complex MIAX Price Collar ("MPC") Price[9] for the complex order.

The Exchange notes that at least one other competing options exchange allows component legs of a complex order to trade outside of the NBBO for the component leg. Specifically, BOX Exchange Rule 7240(b)(3)(iii)(A) provides that "[i]f an inbound Complex Order is executable (against either opposite side Complex Orders on the Complex Order Book or interest on the BOX Book) on BOX, BOX will determine if the potential execution price is equal to or better than both Extended cNBBO and cBBO. If so, the inbound Complex Order will be

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[7]   The "Strategy Book" is the Exchange's electronic book of complex orders and complex quotes. See Exchange Rule 518(a)(17).

[8]   The term MBBO means the best bid or offer on the Simple Order Book. See Exchange Rule 518(a)(13).

[9]   The MPC price protection feature is an Exchange-wide mechanism under which a complex order or complex eQuote to sell will not be displayed or executed at a price that is lower than the opposite side cNBBO bid at the time the MPC is assigned by the System (i.e., upon receipt or upon opening) by more than a specific dollar amount expressed in $0.01 increments (the "MPC Setting"), and under which a complex order or eQuote to buy will not be displayed or executed at a price that is higher than the opposite side cNBBO offer at the time the MPC is assigned by the System by more than the MPC Setting (each the "MPC Price"). See Exchange Rule 518.05(f).

executed to the extent possible according to the priority described in [BOX Exchange] Rule

7240(b)(3)(i)."[10]

The BOX Exchange Extended cNBBO is similar to the MIAX Options MPC price

protection and is intended to mitigate the potential risk of executions at prices that are extreme or

potentially erroneous. The Extended cNBBO is the maximum net bid and offer execution price

for a Complex Order Strategy.[11] Under Box Exchange Rule 7240(a)(5), the Extended cNBBO is

calculated by subtracting the Extended cNBBO Limit[12] from the cNBB[13] and adding the

Extended cNBBO Limit to the cNBO.[14] In calculating the Extended cNBBO, each side of the

Extended cNBBO is rounded to the nearest penny within the Extended cNBBO (i.e. the cNBB is

rounded up to the nearest penny and the cNBO is rounded down to the nearest penny). The

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[10]　　See Securities Exchange Act Release No. 80917 (June 13, 2017), 82 FR 27920 (June 19, 2017) (SR-BOX-2017-20).

[11]　　The term "Complex Order Strategy" or "Strategy" means a particular combination of components of a Complex Order and their ratios to one another. See BOX Exchange Rule 7240(a)(9).

[12]　　The term "Extended cNBBO Limit" means a percentage or an amount, whichever provides for the greatest chance of execution (i.e. the widest range) when calculating the Extended cNBBO. The Extended cNBBO Limit for all classes will be a minimum of 3% and a maximum of 50% of the cNBB or cNBO as applicable; or a minimum amount of $0.00 and a maximum amount of $1.00. The default Extended cNBBO Limit for all classes will be 5% of the cNBB or cNBO as applicable, or $0.05. The Exchange will communicate the Extended cNBBO Limit with prior notice to Participants via Circular. The Exchange may modify the Extended cNBBO Limit on all classes with prior notice to Participants via Circular. See BOX Exchange Rule 7240(a)(6).

[13]　　The term "cNBB" means the best net bid price for a Complex Order Strategy based on the NBBO for the individual options components of such Strategy. See BOX Exchange Rule 7240(a)(2).

[14]　　The term "cNBO" means the best net offer price for a Complex Order Strategy based on the NBBO for the individual options components of such Strategy. See BOX Exchange Rule 7240(a)(4).

Extended cNBBO Limit is a percentage or an amount, whichever provides the less restrictive

range (i.e. the widest range) when calculating the Extended cNBBO.[15]

The Exchange will announce the implementation date of the proposed rule change by

Regulatory Circular to be published no later than 90 days following the operative date of the

proposed rule. The implementation date will be no later than 90 days following the issuance of

the Regulatory Circular.

b.   Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the

Act[16] in general, and furthers the objectives of Section 6(b)(5) of the Act[17] 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

regulating, clearing, settling, processing information with respect to, and 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 its proposal promotes just and equitable principles of trade,

removes impediments to and perfects the mechanisms of a free and open market and a national

market system, and in general, protects investors and the public interest by removing the

provision that prevents a component of a complex order that legs into the Simple Order Book

from executing at a price that is outside the NBBO. The Exchange believes that removing this

provision will result in increased opportunities for the execution of complex orders, leading to

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[15]   See supra note 12.

[16]   15 U.S.C. 78f(b).

[17]   15 U.S.C. 78f(b)(5).

increased liquidity on the Strategy Book, which benefits all Exchange participants by providing more trading opportunities. Further, although the proposal will allow component legs of a complex order to execute outside of the NBBO for that component, the Exchange believes that the MPC price protection feature will mitigate the potential risk of executions occurring at prices that are extreme or potentially erroneous. Moreover, the proposed rule change is consistent with rules regarding complex order handling and execution on at least one other exchange.[18]

4.   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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is designed to increase liquidity on the Exchange's Strategy Book by removing the provision that prevents a component of a complex order that legs into the Simple Order Book from executing at a price that is through the NBBO for that component. Implementation of the proposed rule change will facilitate additional executions and enable greater competition among other competing exchanges that provide similar complex order handling.

The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition as the proposed rule change applies equally to all Exchange Members. All Exchange Members who submit complex orders to the Exchange may benefit from the proposal.

The Exchange does not believes that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, conversely the Exchange believes that its proposal will increase intermarket competition.

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[18]   See BOX Exchange Rule 7240(b)(3)(iii)(A).

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[19] and Rule 19b-4(f)(6)[20] 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 proposed rule change does not affect the protection of investors or the public interest as it is substantially similar to rules in place on the BOX Exchange,[21] and does not raise any new or novel issues. The Exchange believes the proposal does not significantly affect the protection of investors or the public interest but rather promotes the protection of investors and the public interest by increasing competition on the Exchange's Strategy Book by removing a provision which prevented a complex order that had legged into the Simple Order Book from executing against interest on the Simple Order Book at a price outside of the NBBO for the component legs. It is in the best interest of the public and investors to remove this provision because it will

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[19]   15 U.S.C. 78s(b)(3)(A).

[20]   17 CFR 240.19b-4(f)(6).

[21]   See supra note 10.

result in increased execution of complex orders, leading to increased liquidity on the Strategy

Book, which benefits all Exchange participants by providing more trading opportunities.

Additionally, although the proposal will allow component legs of a complex order to execute

outside of the NBBO for that component, the Exchange believes that the MPC price protection

feature will mitigate the potential risk of executions occurring at prices that are extreme or

potentially erroneous. The Exchange does not believe that the proposed rule change imposes any

significant burden on competition as the proposed rule change regarding legging of complex

orders applies equally to all Member's that enter such orders on the Exchange's Strategy Book.

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[22] normally does not become operative for 30 days after the date

of its filing.

Accordingly, because the proposed rule change is similar to that of another Self-

Regulatory Organization and thus does not introduce any new regulatory issues, the Exchange

has filed this rule filing as non-controversial under Section 19(b)(3)(A) of the Act[23] and

paragraph (f)(6) of Rule 19b-4 thereunder.[24]

Therefore, the Exchange believes that the proposed rule change is well-suited for, and

meets the standards applicable to, the Commission's treatment of proposals under Section

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[22]   17 CFR 240.19b-4(f)(6).

[23]   17 CFR 240.19b-4.

[24]   17 CFR 240.19b-4(f)(6).

19(b)(3)(A) of the Act[25] and Rule 19b-4(f)(6) thereunder.[26] Accordingly, for the reasons stated

above, the Exchange believes that the proposed rule change is non-controversial and is therefore

eligible for immediately effective treatment under the Commission's current procedures for

processing rule filings.

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

Not applicable.

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. Text of proposed rule change.

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25   15 U.S.C. 78s(b)(3)(A).

26   17 CFR 240.19b-4(f)(6).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-   ; File No. SR-MIAX-2019-45)

October __, 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 518, Complex Orders

      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 October 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 518, Complex Orders.

      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.

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

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

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

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

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

[2]   17 CFR 240.19b-4.

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

below, of the most significant aspects of such statements.

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

>> 1.   Purpose

The Exchange proposes to amend subsection (c)(2)(iii) of Exchange Rule 518, Complex

Orders, to remove the provision which provides that a component of a complex order[3] that legs

into the Simple Order Book[4] may not execute at a price that is outside the NBBO.[5]

Currently, subsection (c)(2)(iii) provides that complex orders up to a maximum number

of legs (determined by the Exchange on a class-by-class basis as either two or three legs and

communicated to Members[6] via Regulatory Circular) may be automatically executed against

bids and offers on the Simple Order Book for the individual legs of the complex order

("Legging"), provided the complex order can be executed in full or in a permissible ratio by such

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[3]   A "complex order" is any order involving the concurrent purchase and/or sale of two or
        more different options in the same underlying security (the "legs" or "components" of the
        complex order), for the same account, in a ratio that is equal to or greater than one-to-
        three (.333) and less than or equal to three-to-one (3.00) and for the purposes of
        executing a particular investment strategy. Mini-options may only be part of a complex
        order that includes other mini-options. Only those complex orders in the classes
        designated by the Exchange and communicated to Members via Regulatory Circular with
        no more than the applicable number of legs, as determined by the Exchange on a class-
        by-class basis and communicated to Members via Regulatory Circular, are eligible for
        processing. See Exchange Rule 518(a)(5).

[4]   The "Simple Order Book" is the Exchange's regular electronic book of orders and quotes.
        See Exchange Rule 518(a)(15).

[5]   The term "NBBO" means the national best bid or offer as calculated by the Exchange
        based on market information received by the Exchange from the appropriate Securities
        Information Processor ("SIP"). See Exchange Rule 518(a)(14).

[6]   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.

bids and offers, and provided that the execution price of each component is not executed at a price that is outside of the NBBO.

The Exchange now proposes to remove the provision of the rule which stipulates that a component of a complex order that legs into the Simple Order Book is not executed at a price that is outside of the NBBO. The Exchange believes removing this provision will improve liquidity on the Exchange's Strategy Book[7] and increase opportunities for execution of complex orders. Under the Exchange's proposal each component leg of a complex order may be executed at a price equal to or better than the MBBO[8] for that leg, but only if the net strategy price is not through the Complex MIAX Price Collar ("MPC") Price[9] for the complex order.

The Exchange notes that at least one other competing options exchange allows component legs of a complex order to trade outside of the NBBO for the component leg. Specifically, BOX Exchange Rule 7240(b)(3)(iii)(A) provides that "[i]f an inbound Complex Order is executable (against either opposite side Complex Orders on the Complex Order Book or interest on the BOX Book) on BOX, BOX will determine if the potential execution price is equal to or better than both Extended cNBBO and cBBO. If so, the inbound Complex Order will be

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[7]   The "Strategy Book" is the Exchange's electronic book of complex orders and complex quotes. See Exchange Rule 518(a)(17).

[8]   The term MBBO means the best bid or offer on the Simple Order Book. See Exchange Rule 518(a)(13).

[9]   The MPC price protection feature is an Exchange-wide mechanism under which a complex order or complex eQuote to sell will not be displayed or executed at a price that is lower than the opposite side cNBBO bid at the time the MPC is assigned by the System (i.e., upon receipt or upon opening) by more than a specific dollar amount expressed in $0.01 increments (the "MPC Setting"), and under which a complex order or eQuote to buy will not be displayed or executed at a price that is higher than the opposite side cNBBO offer at the time the MPC is assigned by the System by more than the MPC Setting (each the "MPC Price"). See Exchange Rule 518.05(f).

executed to the extent possible according to the priority described in [BOX Exchange] Rule

7240(b)(3)(i)."[10]

The BOX Exchange Extended cNBBO is similar to the MIAX Options MPC price

protection and is intended to mitigate the potential risk of executions at prices that are extreme or

potentially erroneous. The Extended cNBBO is the maximum net bid and offer execution price

for a Complex Order Strategy.[11] Under Box Exchange Rule 7240(a)(5), the Extended cNBBO is

calculated by subtracting the Extended cNBBO Limit[12] from the cNBB[13] and adding the

Extended cNBBO Limit to the cNBO.[14] In calculating the Extended cNBBO, each side of the

Extended cNBBO is rounded to the nearest penny within the Extended cNBBO (i.e. the cNBB is

rounded up to the nearest penny and the cNBO is rounded down to the nearest penny). The

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[10]   See Securities Exchange Act Release No. 80917 (June 13, 2017), 82 FR 27920 (June 19, 2017) (SR-BOX-2017-20).

[11]   The term "Complex Order Strategy" or "Strategy" means a particular combination of components of a Complex Order and their ratios to one another. See BOX Exchange Rule 7240(a)(9).

[12]   The term "Extended cNBBO Limit" means a percentage or an amount, whichever provides for the greatest chance of execution (i.e. the widest range) when calculating the Extended cNBBO. The Extended cNBBO Limit for all classes will be a minimum of 3% and a maximum of 50% of the cNBB or cNBO as applicable; or a minimum amount of $0.00 and a maximum amount of $1.00. The default Extended cNBBO Limit for all classes will be 5% of the cNBB or cNBO as applicable, or $0.05. The Exchange will communicate the Extended cNBBO Limit with prior notice to Participants via Circular. The Exchange may modify the Extended cNBBO Limit on all classes with prior notice to Participants via Circular. See BOX Exchange Rule 7240(a)(6).

[13]   The term "cNBB" means the best net bid price for a Complex Order Strategy based on the NBBO for the individual options components of such Strategy. See BOX Exchange Rule 7240(a)(2).

[14]   The term "cNBO" means the best net offer price for a Complex Order Strategy based on the NBBO for the individual options components of such Strategy. See BOX Exchange Rule 7240(a)(4).

Extended cNBBO Limit is a percentage or an amount, whichever provides the less restrictive

range (i.e. the widest range) when calculating the Extended cNBBO.[15]

The Exchange will announce the implementation date of the proposed rule change by

Regulatory Circular to be published no later than 90 days following the operative date of the

proposed rule. The implementation date will be no later than 90 days following the issuance of

the Regulatory Circular.

      2.   <u>Statutory Basis</u>

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act[16]

in general, and furthers the objectives of Section 6(b)(5) of the Act[17] 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 regulating,

clearing, settling, processing information with respect to, and 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 its proposal promotes just and equitable principles of trade,

removes impediments to and perfects the mechanisms of a free and open market and a national

market system, and in general, protects investors and the public interest by removing the

provision that prevents a component of a complex order that legs into the Simple Order Book

from executing at a price that is outside the NBBO. The Exchange believes that removing this

provision will result in increased opportunities for the execution of complex orders, leading to

increased liquidity on the Strategy Book, which benefits all Exchange participants by providing

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15   <u>See</u> <u>supra</u> note 12.

16   15 U.S.C. 78f(b).

17   15 U.S.C. 78f(b)(5).

more trading opportunities. Further, although the proposal will allow component legs of a

complex order to execute outside of the NBBO for that component, the Exchange believes that

the MPC price protection feature will mitigate the potential risk of executions occurring at prices

that are extreme or potentially erroneous. Moreover, the proposed rule change is consistent with

rules regarding complex order handling and execution on at least one other exchange.[18]

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

proposed rule change is designed to increase liquidity on the Exchange's Strategy Book by

removing the provision that prevents a component of a complex order that legs into the Simple

Order Book from executing at a price that is through the NBBO for that component.

Implementation of the proposed rule change will facilitate additional executions and enable

greater competition among other competing exchanges that provide similar complex order

handling.

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

intramarket competition as the proposed rule change applies equally to all Exchange Members.

All Exchange Members who submit complex orders to the Exchange may benefit from the

proposal.

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

intermarket competition that is not necessary or appropriate in furtherance of the purposes of the

Act, conversely the Exchange believes that its proposal will increase intermarket competition.

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[18]   See BOX Exchange Rule 7240(b)(3)(iii)(A).

     C.   <u>Self-Regulatory Organization's Statement on Comments on the Proposed Rule</u>
                    <u>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>

Because the foregoing proposed rule change does not: (i) Significantly affect the

protection of investors or the public interest; (ii) impose any significant burden on competition;

and (iii) become operative for 30 days after the date of the filing, or such shorter time as the

Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act[19] and

Rule 19b-4(f)(6)[20] 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.   <u>Solicitation of Comments</u>

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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[19]   15 U.S.C. 78s(b)(3)(A).

[20]   17 CFR 240.19b-4(f)(6). In addition, 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.

      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-2019-45 on the subject line.

Paper comments:

☐ Send paper comments in triplicate to Vanessa Countryman , Secretary, Securities

and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

      All submissions should refer to File Number SR-MIAX-2019-45. 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-2019-45 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.[21]

Vanessa Countryman
Secretary

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[21]   17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC Rules

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Rule 518. Complex Orders

(a) **-** (b) No change.

(c) **Trading of Complex Orders and Quotes**. The Exchange will determine and communicate to Members via Regulatory Circular which complex order origin types (i.e., non-broker-dealer customers, broker-dealers that are not Market Makers on an options exchange, and/or Market Makers on an options exchange) are eligible for entry onto the Strategy Book. Complex orders and quotes will be subject to all other Exchange Rules that pertain to orders and quotes generally, unless otherwise provided in this Rule 518. This Rule 518(c) governs trading of all complex order types set forth in Rule 518(b) above, unless otherwise specified in Rule 518(b).

(1) No change.

(2) **Execution of Complex Orders and Quotes**.

(i) – (ii) No change.

(iii) **Legging.** Complex orders up to a maximum number of legs (determined by the Exchange on a class-by-class basis as either two or three legs and communicated to Members via Regulatory Circular) may be automatically executed against bids and offers on the Simple Order Book for the individual legs of the complex order ("Legging"), provided the complex order can be executed in full or in a permissible ratio by such bids and offers[, and provided that the execution price of each component is not executed at a price that is outside of the NBBO]. Legging is not available for cAOC orders, complex Standard quotes, complex eQuotes, or stock-option orders. Notwithstanding the foregoing, complex orders with two option legs where both legs are buying or both legs are selling and both legs are calls or both legs are puts may only trade against other complex orders on the Strategy Book and will not be permitted to leg into the Simple Order Book. Complex orders with three option legs where all legs are buying or all legs are selling may only trade against other complex orders on the Strategy Book, regardless of whether the option leg is a call or a put. The System will not generate derived orders for these complex orders.

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