OMB APPROVAL
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Page 1 of * 32	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2020 - * 19
		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	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * ☐ Section 806(e)(2) * ☐	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 exclude cPRIME Orders from the Complex MIAX Options Price Collar protection and amend Exchange Rule 515A to remove the provision that precludes last priority in allocatoin from being available for cPRIME Agency Orders.

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 Counsel

E-mail *   gziegler@miaxoptions.com

Telephone *   (609) 613-1465   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   06/22/2020   Senior Counsel

By   Gregory P. Ziegler
(Name *)

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

gziegler@miami-holdings.com

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 For complete Form 19b-4 instructions please refer to the EFFS website.	

Form 19b-4 Information *

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

Exhibit 1 - Notice of Proposed Rule Change *

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

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

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

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

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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

Partial Amendment

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

1.   **Text of the Proposed Rule Change**

(a) Miami International Securities Exchange, LLC ("MIAX Options" or "Exchange"),

pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1]

and Rule 19b-4 thereunder,[2] proposes to amend Exchange Rule 518, Complex Orders; and

Exchange Rule 515A, MIAX Price Improvement Mechanism ("PRIME") and PRIME

Solicitation Mechanism.

Notice of the proposed rule change for publication in the Federal Register is attached

hereto as Exhibit 1, and the text of the proposed rule change is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2.   **Procedures of the Self-Regulatory Organization**

The proposed rule change was approved by the Chief Executive Officer of the Exchange

pursuant to authority delegated by the MIAX Options Board of Directors on January 29, 2020.

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, Vice President and Senior 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 Interpretations and Policies .05 of Exchange Rule 518

to exclude cPRIME orders from the Complex MIAX Options Price Collar Protection provided to

complex orders as described in paragraph (f)(1) of the Rule. Additionally, the Exchange

proposes to amend Interpretations and Policies .12 of Exchange Rule 515A to remove the

provision that precludes last priority in allocation from being available to Initiating Members[3]

that submit cPRIME Agency Orders.

        Background

In October of 2016, the Exchange adopted rules governing the trading in, and detailing

the functionality of the MIAX Options System[4] in the handling of, complex orders on the

Exchange.[5] In order to further support the trading of complex orders on the Exchange, the

Exchange adopted an additional price protection feature for complex orders, the Complex MIAX

Price Collar ("MPC") in February of 2017.[6] The MPC price protection feature is designed to

help maintain a fair and orderly market by helping to mitigate the potential risk of executions at

prices that are extreme and potentially erroneous.

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[3]   An "Initiating Member" initiates a PRIME Auction. See Exchange Rule 515A(a)(1). 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.

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

[5]   See Securities Exchange Act Release No. 79072 (October 7, 2016), 81 FR 71131 (October 14, 2016) (SR-MIAX-2016-26).

[6]   See Securities Exchange Act Release No. 80089 (February 22, 2017), 82 FR 12153 (February 28, 2017) (SR-MIAX-2017-06).

More specifically, the MPC price protection feature is an Exchange-wide price protection

mechanism under which a complex order or eQuote to sell will not be displayed or executed at a

price that is lower than the opposite side cNBBO[7] 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").[8] All

complex orders, together with cAOC eQuotes and cIOC eQuotes (as defined in Interpretations

and Policies .02(c)(1) and (2) of Exchange Rule 518) (collectively, "eQuotes"), are subject to the

MPC price protection feature.[9]

In July of 2017 the Exchange adopted three new complex order types: Complex

Customer Cross ("cC2C"), Complex Qualified Contigent Cross ("cQCC"), and cPRIME,[10]

which, by definition, became subject to the MPC price protection. In August of 2017, the

Exchange amended its rules to remove these three new complex order types from certain pre-

existing price protection features available on the Exchange.[11] Specifically, the Exchange

modified Interpretation and Policy .05(d) of Rule 518 to state that the Implied Away Best Bid or

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[7]   The cNBBO is calculated using the NBBO for each component of a complex strategy to
        establish the best net bid and offer for a complex strategy. For stock-option orders, the
        cNBBO for a complex strategy will be calculated using the NBBO in the individual
        option component(s) and the NBBO in the stock component. See Exchange Rule
        518(a)(2).

[8]   See Exchange Rule 518 Interpretations and Policies .05(f).

[9]   See Exchange Rule 518. Interpretations and Policies 05(f)(1).

[10]   See Securities Exchange Act Release No. 81131 (July 12, 2017), 82 FR 32900 (July 18,
        2017) (SR-MIAX-2017-19).

[11]   See Securities Exchange Act Release No. 81229 (July 27, 2017), 82 FR 36023 (August 2,
        2017) (SR-MIAX-2017-34).

Offer ("ixABBO") Price Protection feature is not available for cPRIME Orders, cC2C Orders,

and cQCC Orders. In its filing the Exchange stated that the ixABBO protection will not be

available because this type of protection isn't necessary for these new complex order types.

Specifically, with respect to cPRIME Orders, a cPRIME Agency Order is received by the

Exchange accompanied by, and guarantees an execution against, a contra-side order at a single

price or at multiple prices with a "stop" price outside of which the cPRIME Agency Order, the

contra-side order, and auction responses will not be executed."[12]

The Exchange also excluded cPRIME orders, cC2C Orders and cQCC Orders from the

MIAX Order Monitor for Complex Orders ("cMOM") stating in its filing, "that cPRIME Orders,

cC2C Orders and cQCC Orders are all guaranteed an execution at a price or prices determined by

the participants, and cPRIME Orders are subject to further price improvement. Therefore, the

cMOM price protection feature isn't necessary for these complex order types, and thus these

complex orders types will not be rejected based upon cMOM price parameters."[13]

For similar reasons, the Exchange now proposes to exclude cPRIME Orders[14] from the

MPC protection by amending Interpretations and Policies .05(f)(1) of Exchange Rule 518 to

provide that, all complex orders (excluding cPRIME Orders), together with AOC eQuotes and

cIOC eQuotes (as defined in Interpretations and Policies .02(c)(1) and (c) of Exchange Rule 518)

(collectively "eQuotes"), are subject to the MPC price protection feature.

A cPRIME Order is a paired order with an established minimum execution price that

must meet certain defined internal criteria to be eligible to participate in a cPRIME Auction.

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12   See id.

13   See id.

14   The Exchange notes that while cPRIME, cQCC, and cC2C Orders are all paired orders,
        the proposal is limited in scope to cPRIME Orders only.

Specifically, the initiating price for a cPRIME Agency Order must be better than (inside) the icMBBO[15] for the strategy and any other complex orders on the Strategy Book.[16] The System will reject cPRIME Agency Orders submitted with an initiating price that is equal to or worse than (outside) the icMBBO or any other complex orders on the Strategy Book.[17] As a result, MPC protection for cPRIME orders is not necessary, and in certain occasions, prevents orders that are otherwise eligible for participation in the cPRIME process from being accepted by the Exchange.

The following examples demonstrate the current behavior as compared to the proposed behavior.

Current cPRIME Evaluation subject to MPC Protection

Example 1   The auction start price ("ASP") of a Complex PRIME order cannot be outside the MPC opposite the Agency side

MIAX Price Collar Value (MPCV) = 0.25

cMBBO 3.00 x 4.00

cNBBO 3.00 x 3.50

MPC = (3.00 – 0.25) x (3.50 + 0.25) = 2.75 x 3.75

An incoming cPRIME order is received where the ASP of the Agency order is to buy complex strategies at a price of 3.80. Because the ASP of the Agency order to buy at 3.80 is outside the opposite side MPC of 3.75 (cNBO plus the MPCV); the cPRIME order is rejected.

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[15]   The Implied Complex MIAX Best Bid or Offer or "icMBBO" is a calculation that uses the best price from the Simple Order Book for each component of a complex strategy including displayed and non-displayed interest. For stock-option orders, the icMBBO for a complex strategy will be calculated using the best price (whether displayed or non-displayed) on the Simple Order Book in the individual option component(s), and the NBBO in the stock component. See Exchange Rule 518(a)(11).

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

[17]   See Exchange Rule 515A. Interpretations and Policies .12(a)(i).

Proposed cPRIME Evaluation subject to MPC Protection

Example 2   The auction start price of a Complex PRIME order CAN be outside the MPC opposite the Agency side

MIAX Price Collar Value (MPCV) = 0.25

cMBBO 3.00 x 4.00

cNBBO 3.00 x 3.50

MPC = (3.00 – 0.25) x (3.50 + 0.25) = 2.75 x 3.75

An incoming cPRIME order is received where the ASP of the Agency order is to buy complex strategies at a price of 3.80. Although the ASP of the Agency order to buy at 3.80 is outside the opposite side MPC of 3.75 (cNBO plus the MPCV); the cPRIME order is accepted and initiates an auction.

Proposed cPRIME Evaluation subject to MPC Protection when inside the icMBBO

Example 3   The auction start price of a Complex PRIME order CAN be outside the MPC opposite the Agency side, and accepted if inside the icMBBO

MIAX Price Collar Value (MPCV) = 0.25

Strategy +1A+1B

Option A MBBO[18] 1.00 x 1.50

Option B MBBO 2.00 x 2.50

icMBBO 1(1.00+2.00) x 1(1.50+2.50) = 3.00 x 4.00

Option A NBBO 1.00 x 1.30

Option B NBBO 2.00 x 2.20

cNBBO 1(1.00+2.00) x 1(1.30+2.20) = 3.00 x 3.50

MPC = (3.00 – 0.25) x (3.50 + 0.25) = 2.75 x 3.75

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

An incoming cPRIME order is received where the ASP of the Agency order is to buy complex strategies at a price of 3.80. Although the ASP of the Agency order to buy at 3.80 is permitted outside the opposite side MPC of 3.75 (cNBO plus the MPCV), it is inside the icMBBO of 3.00 x 4.00; therefore the cPRIME order is accepted and initiates an auction.

Proposed cPRIME Evaluation subject to MPC Protection when outside the icMBBO

Example 4   The auction start price of a Complex PRIME order CAN be outside the MPC opposite the Agency side, but is rejected if outside the icMBBO[19]

MIAX Price Collar Value (MPCV) = 0.25

Strategy +1A+1B

Option A MBBO 1.00 x 1.50

Option B MBBO 2.00 x 2.25

icMBBO 1(1.00+2.00) x 1(1.50+2.25) = 3.00 x 3.75

Option A NBBO[20] 1.00 x 1.30

Option B NBBO 2.00 x 2.20

cNBBO 1(1.00+2.00) x 1(1.30+2.20) = 3.00 x 3.50

MPC = (3.00 – 0.25) x (3.50 + 0.25) = 2.75 x 3.75

An incoming cPRIME order is received where the ASP of the Agency order is to buy complex strategies at a price of 3.80. Although the ASP of the Agency order to buy at 3.80 is permitted outside the opposite side MPC of 3.75 (cNBO plus the MPCV), it is outside the icMBBO of 3.00 x 3.75; therefore the cPRIME order is rejected.

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[19]   The initiating price for a cPRIME Agency Order must be better than (inside) the icMBBO for the strategy and any other complex orders on the Strategy Book. The System will reject cPRIME Agency Orders submitted with an initiating price that is equal to or worse than (outside) the icMBBO or any other complex orders on the Strategy Book. See Exchange Rule 515A. Interpretations and Policies .12(a)(i).

[20]   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).

The Exchange also proposes to amend Exchange Rule 515A to allow last priority in allocation for Initiating Members that submit cPRIME Agency Orders. Currently subsection (v) of Interpretations and Policies .12(c) provides that the order allocations provisions contained in Rule 515(A)(a)(2(iii) shall apply to cPRIME Auctions, provided that: (A) all references to contracts shall be deemed to be references to complex strategies as defined in Rule 518(a)(6); and (B) the last priority allocation option described in Rule 515A(a)(2)(iii)(L) is not available for Initiating Members that submit cPRIME Agency Orders. In its filing to adopt cPRIME functionality[21] the Exchange stated that the last priority in allocation option described in Rule 515(A)(a)(2)(iii)(L)[22] is not available for Initiating Members that submit cPRIME Agency Orders. As, at that time, the Exchange did not believe that there was significant Member demand for the use of the last priority in allocation option in cPRIME Auctions, therefore there was no need to include it in the allocation model then in use for cPRIME Auctions.

The Exchange now believes that there is significant Member demand for the use of the last priority in allocation option in cPRIME Auctions, and proposes to amend its current rule to remove the provision which makes it unavailable for Initiating Members that submit cPRIME Agency Orders. The Exchange proposes to remove subsection (c)(v)(B) of Interpretations and Policies .12 in its entirety. New proposed subsection (c)(v) will provide that, the order allocation provisions contained in Rule 515A(a)(2)(iii)[23] shall apply to cPRIME Auctions, provided that all

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[21]   See supra note 10.

[22]   If the Initiating Member elected to have last priority in allocation when submitting an Agency Order to initiate an Auction against a single-price submission, the Initiating Member will be allocated only the amount of contracts remaining, if any, after the Agency Order is allocated to all other responses at the single price specified by the Initiating Member.

[23]   Exchange Rule 515A(a)(2)(iii)(L) provides, "[i]f the Initiating Member elected to have last priority in allocation when submitting an Agency Order to initiate an Auction against a single-price submission, the Initiating Member will be allocated only the amount of

references to contracts shall be deemed to be references to complex strategies as defined in Rule

518(a)(6).

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

MIAX Options believes that its proposed rule change is consistent with Section 6(b) of

the Act[24] in general, and furthers the objectives of Section 6(b)(5) of the Act[25] in particular, in

that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and

equitable principles of trade, to foster cooperation and coordination with persons engaged in

facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a

free and open market and a national market system and, in general, to protect investors and the

public interest.

The Exchange believes its proposal to exclude cPRIME Orders from the Complex MIAX

Options Price Collar Protection 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 allowing otherwise eligible

orders to benefit from submission to the cPRIME mechanism. The Exchange believes that, if not

excluded, such protection feature could unnecessarily impede certain transactions in this order

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contracts remaining, if any, after the Agency Order is allocated to all other responses at
the single price specified by the Initiating Member."

[24]   15 U.S.C. 78f(b).

[25]   15 U.S.C. 78f(b)(5).

type that is submitted with contra-side participation and guaranteed executions for the Agency

side. The Agency side of a cPRIME Order is effectively executed when received (and, in the

case of cPRIME Orders, subject to price improvement) because it is a paired order with a

guaranteed execution. The Exchange believes that accepting these orders, rather than rejecting

them, protects investors that have established crossing orders at a specific execution price, and in

the case of cPRIME Orders, allows the opportunity for further price improvement.

The Exchange believes that its proposal to allow Initiating Members that submit cPRIME

Agency Orders to the Exchange to elect to have last priority in allocation 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 offering an additional allocation choice which could result in an increase of cPRIME

Agency Orders, and resultant executions. The Exchange believes offering last priority in

allocation gives the Initiating Member additional flexibility and control over cPRIME Agency

Orders which will benefit investors by increasing the opportunity for option orders to receive an

execution.

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 Exchange believes that the proposal to exclude cPRIME Orders from the Exchange's

MPC price protection promotes inter-market competition by enabling MIAX Options to better

compete for this type of order flow with other exchanges that have similar functionality in

place.[26] Additionally, offering a last in priority allocation option to Initiating Members that

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[26]   See Cboe Exchange Rule 5.38.

submit cPRIME Agency orders allows the Exchange to compete with other option exchanges that offer similar functionality.[27]

The Exchange does not believe that its proposal will impose any burden on intra-market competition as all Members of the Exchange that submit cPRIME Orders will benefit equally from the Exchange's proposal. The proposed rule change is intended to promote competition by ensuring that unnecessary price protections which would preclude executions on the Exchange are removed, thus enabling MIAX Options participants to execute more complex orders on the Exchange. Additionally, offering Initiating Members that submit cPRIME Agency Orders an additional allocation choice gives Members more flexibility and control over their orders and may result in the submission of more cPRIME Orders which would benefit competition on the Exchange.

For all the reasons stated, 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, and believes the proposed changes will in fact enhance competition.

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).**

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[27]   See Cboe Exchange Rule 5.38(e)(4).

Pursuant to Section 19(b)(3)(A) of the Act[28] and Rule 19b-4(f)(6)[29] thereunder, the

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

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

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

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

protection of investors and the public interest.

The Exchange does not believe that the proposed rule change significantly affects the

protection of investors or the public interest as the proposal simply excludes cPRIME Orders

from an unnecessary price protection which would prevent the execution of such paired orders.

Additionally, the Exchange's proposal promotes the protection of investors and the public

interest by offering identical functionality that currently exists for PRIME Orders to cPRIME

Orders. The Exchange believes that this simplifies and standardizes Exchange behavior which

benefits investors and the public interest by eliminating the potential for confusion regarding

Exchange functionality. Further, offering a last in priority allocation option to Initiating

Members that submit cPRIME Agency Orders promotes the protection of investors and the

public interest by providing an additional allocation method for cPRIME Orders, which already

exists on the Exchange for PRIME Orders,[30] which could result in an increase of cPRIME

Agency Orders and an increase in executions.

The Exchange does not believe that its proposal imposes any significant burden on

competition but rather believes that the proposal will enhance competition. The Exchange

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[28]   15 U.S.C. 78s(b)(3)(A).

[29]   17 CFR 240.19b-4(f)(6).

[30]   See Exchange Rule 515A(a)(2)(i)(A).

believes the proposal will result in MIAX Options participants executing more complex orders on the Exchange which will allow MIAX Options to compete for this type of order flow with other exchanges that have similar functionality in place.[31] Additionally, offering a last in priority allocation option to Initiating Members that submit cPRIME Agency Orders promotes competition as at least one other option exchange offers similar functionality.[32]

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.

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.

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31   See supra notes 26 and 27.

32   See supra note 27.

11.   <u>**Exhibits**</u>

1. Notice of proposed rule for publication in the <u>Federal</u> <u>Register</u>.

5. Text of proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-   ; File No. SR-MIAX-2020-19)

June__, 2020

      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; and Exchange Rule 515A, MIAX Price Improvement Mechanism ("PRIME") and PRIME Solicitation Mechanism

      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 June 22, 2020, 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.   <u>Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change</u>

      The Exchange is filing a proposal to amend Exchange Rule 518, Complex Orders; and

Exchange Rule 515A, MIAX Price Improvement Mechanism ("PRIME") and PRIME

Solicitation Mechanism.

      The text of the proposed rule change is available on the Exchange's website at

http://www.miaxoptions.com/rule-filings/ at MIAX Options' principal office, and at the

Commission's Public Reference Room.

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

2   17 CFR 240.19b-4.

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 proposes to amend Interpretations and Policies .05 of Exchange Rule 518

to exclude cPRIME orders from the Complex MIAX Options Price Collar Protection provided to

complex orders as described in paragraph (f)(1) of the Rule. Additionally, the Exchange

proposes to amend Interpretations and Policies .12 of Exchange Rule 515A to remove the

provision that precludes last priority in allocation from being available to Initiating Members[3]

that submit cPRIME Agency Orders.

        Background

        In October of 2016, the Exchange adopted rules governing the trading in, and detailing

the functionality of the MIAX Options System[4] in the handling of, complex orders on the

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[3]   An "Initiating Member" initiates a PRIME Auction. See Exchange Rule 515A(a)(1). 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.

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

Exchange.[5] In order to further support the trading of complex orders on the Exchange, the

Exchange adopted an additional price protection feature for complex orders, the Complex MIAX

Price Collar ("MPC") in February of 2017.[6] The MPC price protection feature is designed to

help maintain a fair and orderly market by helping to mitigate the potential risk of executions at

prices that are extreme and potentially erroneous.

More specifically, the MPC price protection feature is an Exchange-wide price protection

mechanism under which a complex order or eQuote to sell will not be displayed or executed at a

price that is lower than the opposite side cNBBO[7] 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").[8] All

complex orders, together with cAOC eQuotes and cIOC eQuotes (as defined in Interpretations

and Policies .02(c)(1) and (2) of Exchange Rule 518) (collectively, "eQuotes"), are subject to the

MPC price protection feature.[9]

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[5]   See Securities Exchange Act Release No. 79072 (October 7, 2016), 81 FR 71131
        (October 14, 2016) (SR-MIAX-2016-26).

[6]   See Securities Exchange Act Release No. 80089 (February 22, 2017), 82 FR 12153
        (February 28, 2017) (SR-MIAX-2017-06).

[7]   The cNBBO is calculated using the NBBO for each component of a complex strategy to
        establish the best net bid and offer for a complex strategy. For stock-option orders, the
        cNBBO for a complex strategy will be calculated using the NBBO in the individual
        option component(s) and the NBBO in the stock component. See Exchange Rule
        518(a)(2).

[8]   See Exchange Rule 518 Interpretations and Policies .05(f).

[9]   See Exchange Rule 518. Interpretations and Policies 05(f)(1).

In July of 2017 the Exchange adopted three new complex order types: Complex

Customer Cross ("cC2C"), Complex Qualified Contigent Cross ("cQCC"), and cPRIME,[10]

which, by definition, became subject to the MPC price protection. In August of 2017, the

Exchange amended its rules to remove these three new complex order types from certain pre-

existing price protection features available on the Exchange.[11] Specifically, the Exchange

modified Interpretation and Policy .05(d) of Rule 518 to state that the Implied Away Best Bid or

Offer ("ixABBO") Price Protection feature is not available for cPRIME Orders, cC2C Orders,

and cQCC Orders. In its filing the Exchange stated that the ixABBO protection will not be

available because this type of protection isn't necessary for these new complex order types.

Specifically, with respect to cPRIME Orders, a cPRIME Agency Order is received by the

Exchange accompanied by, and guarantees an execution against, a contra-side order at a single

price or at multiple prices with a "stop" price outside of which the cPRIME Agency Order, the

contra-side order, and auction responses will not be executed."[12]

The Exchange also excluded cPRIME orders, cC2C Orders and cQCC Orders from the

MIAX Order Monitor for Complex Orders ("cMOM") stating in its filing, "that cPRIME Orders,

cC2C Orders and cQCC Orders are all guaranteed an execution at a price or prices determined by

the participants, and cPRIME Orders are subject to further price improvement. Therefore, the

cMOM price protection feature isn't necessary for these complex order types, and thus these

complex orders types will not be rejected based upon cMOM price parameters."[13]

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[10]   See Securities Exchange Act Release No. 81131 (July 12, 2017), 82 FR 32900 (July 18,
          2017) (SR-MIAX-2017-19).

[11]   See Securities Exchange Act Release No. 81229 (July 27, 2017), 82 FR 36023 (August 2,
          2017) (SR-MIAX-2017-34).

[12]   See id.

[13]   See id.

For similar reasons, the Exchange now proposes to exclude cPRIME Orders[14] from the

MPC protection by amending Interpretations and Policies .05(f)(1) of Exchange Rule 518 to

provide that, all complex orders (excluding cPRIME Orders), together with AOC eQuotes and

cIOC eQuotes (as defined in Interpretations and Policies .02(c)(1) and (c) of Exchange Rule 518)

(collectively "eQuotes"), are subject to the MPC price protection feature.

A cPRIME Order is a paired order with an established minimum execution price that

must meet certain defined internal criteria to be eligible to participate in a cPRIME Auction.

Specifically, the initiating price for a cPRIME Agency Order must be better than (inside) the

icMBBO[15] for the strategy and any other complex orders on the Strategy Book.[16] The System

will reject cPRIME Agency Orders submitted with an initiating price that is equal to or worse

than (outside) the icMBBO or any other complex orders on the Strategy Book.[17] As a result,

MPC protection for cPRIME orders is not necessary, and in certain occasions, prevents orders

that are otherwise eligible for participation in the cPRIME process from being accepted by the

Exchange.

The following examples demonstrate the current behavior as compared to the proposed

behavior.

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[14]   The Exchange notes that while cPRIME, cQCC, and cC2C Orders are all paired orders,
         the proposal is limited in scope to cPRIME Orders only.

[15]   The Implied Complex MIAX Best Bid or Offer or "icMBBO" is a calculation that uses
         the best price from the Simple Order Book for each component of a complex strategy
         including displayed and non-displayed interest. For stock-option orders, the icMBBO for
         a complex strategy will be calculated using the best price (whether displayed or non-
         displayed) on the Simple Order Book in the individual option component(s), and the
         NBBO in the stock component. See Exchange Rule 518(a)(11).

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

[17]   See Exchange Rule 515A. Interpretations and Policies .12(a)(i).

Current cPRIME Evaluation subject to MPC Protection

Example 1   The auction start price ("ASP") of a Complex PRIME order cannot be outside the MPC opposite the Agency side

MIAX Price Collar Value (MPCV) = 0.25

cMBBO 3.00 x 4.00

cNBBO 3.00 x 3.50

MPC = (3.00 – 0.25) x (3.50 + 0.25) = 2.75 x 3.75

An incoming cPRIME order is received where the ASP of the Agency order is to buy complex strategies at a price of 3.80. Because the ASP of the Agency order to buy at 3.80 is outside the opposite side MPC of 3.75 (cNBO plus the MPCV); the cPRIME order is rejected.

Proposed cPRIME Evaluation subject to MPC Protection

Example 2   The auction start price of a Complex PRIME order CAN be outside the MPC opposite the Agency side

MIAX Price Collar Value (MPCV) = 0.25

cMBBO 3.00 x 4.00

cNBBO 3.00 x 3.50

MPC = (3.00 – 0.25) x (3.50 + 0.25) = 2.75 x 3.75

An incoming cPRIME order is received where the ASP of the Agency order is to buy complex strategies at a price of 3.80. Although the ASP of the Agency order to buy at 3.80 is outside the opposite side MPC of 3.75 (cNBO plus the MPCV); the cPRIME order is accepted and initiates an auction.

Proposed cPRIME Evaluation subject to MPC Protection when inside the icMBBO

Example 3   The auction start price of a Complex PRIME order CAN be outside the MPC opposite the Agency side, and accepted if inside the icMBBO

MIAX Price Collar Value (MPCV) = 0.25

Strategy +1A+1B

Option A MBBO[18] 1.00 x 1.50

Option B MBBO 2.00 x 2.50

icMBBO 1(1.00+2.00) x 1(1.50+2.50) = 3.00 x 4.00

Option A NBBO 1.00 x 1.30

Option B NBBO 2.00 x 2.20

cNBBO 1(1.00+2.00) x 1(1.30+2.20) = 3.00 x 3.50

MPC = (3.00 – 0.25) x (3.50 + 0.25) = 2.75 x 3.75

An incoming cPRIME order is received where the ASP of the Agency order is to buy complex strategies at a price of 3.80. Although the ASP of the Agency order to buy at 3.80 is permitted outside the opposite side MPC of 3.75 (cNBO plus the MPCV), it is inside the icMBBO of 3.00 x 4.00; therefore the cPRIME order is accepted and initiates an auction.

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

Proposed cPRIME Evaluation subject to MPC Protection when outside the icMBBO

Example 4   The auction start price of a Complex PRIME order CAN be outside the MPC opposite the Agency side, but is rejected if outside the icMBBO[19]

MIAX Price Collar Value (MPCV) = 0.25

Strategy +1A+1B

Option A MBBO 1.00 x 1.50

Option B MBBO 2.00 x 2.25

icMBBO 1(1.00+2.00) x 1(1.50+2.25) = 3.00 x 3.75

Option A NBBO[20] 1.00 x 1.30

Option B NBBO 2.00 x 2.20

cNBBO 1(1.00+2.00) x 1(1.30+2.20) = 3.00 x 3.50

MPC = (3.00 – 0.25) x (3.50 + 0.25) = 2.75 x 3.75

An incoming cPRIME order is received where the ASP of the Agency order is to buy complex strategies at a price of 3.80. Although the ASP of the Agency order to buy at 3.80 is permitted outside the opposite side MPC of 3.75 (cNBO plus the MPCV), it is outside the icMBBO of 3.00 x 3.75; therefore the cPRIME order is rejected.

The Exchange also proposes to amend Exchange Rule 515A to allow last priority in

allocation for Initiating Members that submit cPRIME Agency Orders. Currently subsection (v)

of Interpretations and Policies .12(c) provides that the order allocations provisions contained in

Rule 515(A)(a)(2(iii) shall apply to cPRIME Auctions, provided that: (A) all references to

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[19]   The initiating price for a cPRIME Agency Order must be better than (inside) the icMBBO for the strategy and any other complex orders on the Strategy Book. The System will reject cPRIME Agency Orders submitted with an initiating price that is equal to or worse than (outside) the icMBBO or any other complex orders on the Strategy Book. See Exchange Rule 515A. Interpretations and Policies .12(a)(i).

[20]   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).

contracts shall be deemed to be references to complex strategies as defined in Rule 518(a)(6);

and (B) the last priority allocation option described in Rule 515A(a)(2)(iii)(L) is not available for

Initiating Members that submit cPRIME Agency Orders. In its filing to adopt cPRIME

functionality[21] the Exchange stated that the last priority in allocation option described in Rule

515(A)(a)(2)(iii)(L)[22] is not available for Initiating Members that submit cPRIME Agency

Orders. As, at that time, the Exchange did not believe that there was significant Member demand

for the use of the last priority in allocation option in cPRIME Auctions, therefore there was no

need to include it in the allocation model then in use for cPRIME Auctions.

The Exchange now believes that there is significant Member demand for the use of the

last priority in allocation option in cPRIME Auctions, and proposes to amend its current rule to

remove the provision which makes it unavailable for Initiating Members that submit cPRIME

Agency Orders. The Exchange proposes to remove subsection (c)(v)(B) of Interpretations and

Policies .12 in its entirety. New proposed subsection (c)(v) will provide that, the order allocation

provisions contained in Rule 515A(a)(2)(iii)[23] shall apply to cPRIME Auctions, provided that all

references to contracts shall be deemed to be references to complex strategies as defined in Rule

518(a)(6).

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[21]   See supra note 10.

[22]   If the Initiating Member elected to have last priority in allocation when submitting an
         Agency Order to initiate an Auction against a single-price submission, the Initiating
         Member will be allocated only the amount of contracts remaining, if any, after the
         Agency Order is allocated to all other responses at the single price specified by the
         Initiating Member.

[23]   Exchange Rule 515A(a)(2)(iii)(L) provides, "[i]f the Initiating Member elected to have
         last priority in allocation when submitting an Agency Order to initiate an Auction against
         a single-price submission, the Initiating Member will be allocated only the amount of
         contracts remaining, if any, after the Agency Order is allocated to all other responses at
         the single price specified by the Initiating Member."

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.   Statutory Basis

MIAX Options believes that its proposed rule change is consistent with Section 6(b) of

the Act[24] in general, and furthers the objectives of Section 6(b)(5) of the Act[25] in particular, in

that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and

equitable principles of trade, to foster cooperation and coordination with persons engaged in

facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a

free and open market and a national market system and, in general, to protect investors and the

public interest.

The Exchange believes its proposal to exclude cPRIME Orders from the Complex MIAX

Options Price Collar Protection 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 allowing otherwise eligible

orders to benefit from submission to the cPRIME mechanism. The Exchange believes that, if not

excluded, such protection feature could unnecessarily impede certain transactions in this order

type that is submitted with contra-side participation and guaranteed executions for the Agency

side. The Agency side of a cPRIME Order is effectively executed when received (and, in the

case of cPRIME Orders, subject to price improvement) because it is a paired order with a

guaranteed execution. The Exchange believes that accepting these orders, rather than rejecting

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[24]   15 U.S.C. 78f(b).

[25]   15 U.S.C. 78f(b)(5).

them, protects investors that have established crossing orders at a specific execution price, and in the case of cPRIME Orders, allows the opportunity for further price improvement.

The Exchange believes that its proposal to allow Initiating Members that submit cPRIME Agency Orders to the Exchange to elect to have last priority in allocation 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 offering an additional allocation choice which could result in an increase of cPRIME Agency Orders, and resultant executions. The Exchange believes offering last priority in allocation gives the Initiating Member additional flexibility and control over cPRIME Agency Orders which will benefit investors by increasing the opportunity for option orders to receive an execution.

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 Exchange believes that the proposal to exclude cPRIME Orders from the Exchange's MPC price protection promotes inter-market competition by enabling MIAX Options to better compete for this type of order flow with other exchanges that have similar functionality in place.[26] Additionally, offering a last in priority allocation option to Initiating Members that submit cPRIME Agency orders allows the Exchange to compete with other option exchanges that offer similar functionality.[27]

The Exchange does not believe that its proposal will impose any burden on intra-market competition as all Members of the Exchange that submit cPRIME Orders will benefit equally

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[26]   See Cboe Exchange Rule 5.38.

[27]   See Cboe Exchange Rule 5.38(e)(4).

from the Exchange's proposal. The proposed rule change is intended to promote competition by ensuring that unnecessary price protections which would preclude executions on the Exchange are removed, thus enabling MIAX Options participants to execute more complex orders on the Exchange. Additionally, offering Initiating Members that submit cPRIME Agency Orders an additional allocation choice gives Members more flexibility and control over their orders and may result in the submission of more cPRIME Orders which would benefit competition on the Exchange.

For all the reasons stated, 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, and believes the proposed changes will in fact enhance competition.

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

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

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[28] and Rule 19b-4(f)(6)[29] thereunder.

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[28]   15 U.S.C. 78s(b)(3)(A).

[29]   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.

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

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

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

otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the

Commission shall institute proceedings to determine whether the proposed rule should be

approved or disapproved.

IV.   Solicitation of Comments

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

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

Comments may be submitted by any of the following methods:

Electronic comments:

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

or

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

MIAX-2020-19 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-2020-19. 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-2020-19 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.[30]

Vanessa Countryman
Secretary

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[30]   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 515A. MIAX Price Improvement Mechanism ("PRIME") and PRIME Solicitation Mechanism

(a) – (d) No change.

Interpretations and Policies:

.01 – .11 No change.

.12 **PRIME for Complex Orders**. Unless otherwise provided in this Interpretations and Policies .12 or unless the context otherwise requires, the provisions of Rule 515A(a) above shall be applicable to the trading of complex orders (as defined in Rule 518) in the PRIME. The Exchange will determine, on a class-by-class basis, the option classes in which complex orders are available for trading in the PRIME on the Exchange, and will announce such classes to Members via Regulatory Circular.

(a) – (b) No change.

(c) Notwithstanding the provisions of this Rule 515A with respect to PRIME, the following shall apply to cPRIME Orders only:

(i) – (iv) No change.

(v) The order allocation provisions contained in Rule 515A(a)(2)(iii) shall apply to cPRIME Auctions, provided that[:

(A)] all references to contracts shall be deemed to be references to complex strategies as defined in Rule 518(a)(6).[; and

(B) the last priority allocation option described in Rule 515A(a)(2)(iii)(L) is not available for Initiating Members that submit cPRIME Agency Orders.]

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Rule 518. Complex Orders

(a) – (e) No change.

Interpretations and Policies:

.01 – 04 No change.

.05 **Price and Other Protections.** Unless otherwise specifically set forth herein, the price and other protections contained in this Interpretations and Policies .05 apply to all complex order types set forth in Rule 518(b) above.

(a) – (e) No change.

(f) **Complex MIAX Options Price Collar Protection**. The Complex MIAX Price Collar ("MPC") price protection feature is an Exchange-wide price protection mechanism under which a complex order or 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").

    (1) All complex orders (excluding cPRIME Orders), together with cAOC eQuotes and cIOC eQuotes (as defined in Interpretations and Policies .02(c)(1) and (2) of this Rule) (collectively, "eQuotes"), are subject to the MPC price protection feature.

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