Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2022 - * 25
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) *
✓	☐	☐	☐	✓	☐

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

Rule

☐ 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 532 to extend price protections for certain complex strategies

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 * Greg
Last Name * Ziegler
Title * Senior Counsel
E-mail * gziegler@miaxoptions.com
Telephone * (609) 897-1483
Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Miami International Securities Exchange, l
has duty caused this filing to be signed on its behalf by the undersigned thereunto duty authorized.

Date 06/29/2022

By Gregory P. Ziegler
(Name *)

(Title *)
Senior Counsel

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

Gregory Ziegler
Date: 2022.06.29 14:13:08 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add Remove View SR-MIAX-2022-25 19b4.docx	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 SR-MIAX-2022-25 Exhibit 1.docx	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 Advanced Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2- Notices, Written Comments, Transcripts, Other Communications Add Remove View	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 Sent As Paper Document
Exhibit 3 - Form, Report, or Questionnaire Add Remove View	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 Sent As Paper Document
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 SR-MIAX-2022-25 Exhibit 5.docx	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 532, Order and Quote Price Protection Mechanisms and Risk Controls.

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 or duly appointed designee pursuant to authority delegated by the MIAX Board of Directors on June 16, 2022. 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.

---

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 Exchange Rule 532, Order and Quote Price Protection Mechanisms and Risk Controls, to (i) extend existing price protections to sell limit orders and Offer eQuotes for certain complex order spread strategies; (ii) make minor non-substantive edits to clarify existing rule text; and (iii) make non-substantive edits to correct numbering errors.

Background

Currently the Exchange offers three defined complex order spread strategies: Butterfly Spread, Calendar Spread, and Vertical Spread. A Butterfly Spread is a three legged Complex Order with two legs to buy (sell) the same number of calls (puts) and one leg to sell (buy) twice the number of calls (puts), all legs have the same expiration date but different exercise prices, and the exercise price of the middle leg is between the exercise prices of the other legs. The strike price of each leg is equidistant from the next sequential strike price.[3] A Calendar Spread is a complex strategy consisting of the purchase of one call (put) option and the sale of another call (put) option overlying the same security that have different expirations but the same strike price.[4] A Vertical Spread is a complex strategy consisting of the purchase of one call (put) option and the sale of another call (put) option overlying the same security that have the same expiration but different strike prices.[5]

3 See Exchange Rule 532(b)(1)(i).

4 See Exchange Rule 532(b)(1)(ii).

5 See Exchange Rule 532(b)(1)(iii).

For each of the aforementioned strategies the Exchange offers a price protection. The Exchange will determine a Butterfly Spread Variance ("BSV") which establishes the minimum and maximum trading price limits for Butterfly Spreads.[6] The minimum possible trading price limit of a Butterfly Spread is zero minus a pre-set value.[7] The maximum possible trading price limit of a Butterfly Spread is the absolute value of the difference between the closest strikes (the upper strike price minus the middle strike price or the middle strike price minus the lower strike price) plus a pre-set value.[8]

The Exchange will determine a Calendar Spread Variance ("CSV") which establishes a minimum trading price limit for Calendar Spreads.[9] The maximum possible value of a Calendar Spread is unlimited, thus there is no maximum price protection for Calendar Spreads. The minimum possible trading price limit of a Calendar Spread is zero minus a pre-set value.[10]

The Exchange will determine a Vertical Spread Variance ("VSV") which establishes minimum and maximum trading price limits for Vertical Spreads.[11] The maximum possible trading price limit of the VSV is the difference between the two component strike prices plus a pre-set value. For example, a Vertical Spread consisting of the purchase of one January 30 call and the sale of one January 35 call would have a maximum trading price limit of $5.00 plus a

---

6 See Exchange Rule 532(b)(2).

7 The pre-set value used by the Exchange is $0.10. See MIAX Options Exchange Regulatory Circular 2022-16, MIAX Order Price Protection Pre-set Values (March 4, 2022) available at https://www.miaxoptions.com/sites/default/files/circular-files/MIAX_Options_RC_2022_16.pdf.

8 See Exchange Rule 532(b)(2)(i).

9 See Exchange Rule 532(b)(3).

10 See Exchange Rule 532(b)(3)(i).

11 See Exchange Rule 532(b)(4).

pre-set value. The minimum possible trading price limit of a Vertical Spread is always zero minus a pre-set value.[12]

Proposal

The Exchange now proposes to extend the price protections for each of the aforementioned complex order spread strategies. Specifically, the Exchange proposes to amend subparagraph (iii) of the Butterfly Spread Variance ("BSV") Price Protection.[13] Currently, the first sentence of subparagraph (iii) provides that, "[b]uy orders with a limit price of less than the minimum trading price limit will be rejected." The Exchange now proposes to also reject sell limit orders and Offer eQuotes with a limit price less than the minimum trading price limit. As proposed the new sentence will read, "[b]uy orders, sell orders, and Offer eQuotes with a limit price less than the minimum trading price limit will be rejected." This change provides that the Exchange will not permit orders or eQuotes to be submitted into the System[14] that appear to be erroneously priced because the prices are below the minimum trading price limit established by the Exchange for Butterfly Spread strategies.

The Exchange recently adopted Butterfly Spread Variance ("BSV") Price Protection functionality on the Exchange.[15] The Exchange determines a Butterfly Spread Variance which

---

12 See Exchange Rule 532(b)(4)(i).

13 See Exchange Rule 532(b)(2).

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

15 See Securities Exchange Act Release No. 94353 (March 3, 2022), 87 FR 13339 (March 9, 2022) (SR-MIAX-2021-58) (Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos.1 and 2, To Adopt Exchange Rule 532, Order and Quote Price Protection Mechanisms and Risk Controls).

establishes minimum and maximum trading price limits for Butterfly Spreads.[16] The minimum value of a Butterfly Spread is zero and the maximum value is capped at the absolute value of the difference between the closest strikes (the upper strike price minus the middle strike price or the middle strike price minus the lower strike price). To establish the maximum and minimum trading price limits, a pre-set value of $0.10[17] is added to the maximum value of the Butterfly Spread and subtracted from the minimum value of the Butterfly Spread. After establishing the minimum trading price limit the Exchange is able to evaluate orders and eQuotes for reasonableness as related to the minimum trading price limit. As such, sell limit orders and Offer eQuotes with a price below the minimum trading price limit will be rejected back to the Member[18] for reevaluation.

Example 1A (current behavior)

Butterfly Spread: Buy 1 July 50 Call, Sell 2 July 55 Calls, Buy 1 July 60 Call.

The maximum spread value is the absolute value of the difference between the closest strikes or $5.00 (60.00 - 55.00 or 55.00 - 50.00). The minimum spread value is zero.[19] The pre-set value is $0.10. Therefore, the maximum allowable price limit is then $5.10 ($5.00 + $0.10) and the minimum allowable price limit is then -$0.10 ($0.00 - $0.10).

A sell limit order or an Offer eQuote submitted with a price below the minimum trading price limit will be accepted and will trade down to, and including, the minimum trading price

---

16 See Exchange Rule 532(b)(2)(i).

17 See supra note 7.

18 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.

19 See supra note 16.

limit. Remaining interest will then be placed on the Strategy Book and managed to the appropriate trading price limit as described in Rule 518(c)(4), or cancelled if the Managed Protection Override is enabled.[20]

Example 1B (proposed behavior)[21]

Butterfly Spread: Buy 1 July 50 Call, Sell 2 July 55 Calls, Buy 1 July 60 Call.

Using the same information from Example 1A above, the maximum trading price limit is $5.10 and the minimum trading price limit is -$0.10. Under the Exchange's proposal a sell limit order or an Offer eQuote with a price below the minimum trading price limit submitted to the Exchange will be rejected back to the Member due to being priced below the minimum trading price limit.

The Exchange believes extending price protections to sell limit orders and Offer eQuotes will benefit Members by rejecting interest priced below the minimum trading price limit back to the Member for reevaluation and potential re-submission at a price within the minimum and maximum trading price limits as determined by the Exchange.

The Exchange also proposes to amend subparagraph (iii) of the Calendar Spread Variance ("CSV") Price Protection.[22] Currently, the first sentence of subparagraph (iii) provides that, "[b]uy orders with a limit price less than the minimum trading price limit will be rejected." The Exchange proposes to also reject sell limit orders and Offer eQuotes with a limit price less than the minimum trading price limit. As proposed the new sentence will read, "[b]uy orders,

---

20 See Exchange Rule 532(b)(2)(ii).

21 The Exchange notes that the proposed behavior described in Example 1B is applicable to both the Calendar Spread Variance Price Protection, and the Vertical Spread Variance Price Protection, as the minimum trading price limit for these strategies is also zero minus the pre-set value. See Exchange Rule 532(b)(3)(i) and 532(b)(4)(i), respectively.

22 See Exchange Rule 532(b)(3).

sell orders, and Offer eQuotes with a limit price less than the minimum trading price limit will be rejected." This change provides that the Exchange will not permit orders or eQuotes to be submitted into the System that appear to be erroneously priced because the prices are below the minimum trading price limit established by the Exchange for Calendar Spread strategies.

The Exchange believes extending price protections to sell limit orders and Offer eQuotes will benefit Members by rejecting interest priced below the minimum trading price limit back to the Member for reevaluation and potential re-submission at a price within the minimum and maximum trading price limits as determined by the Exchange.

The Exchange also proposes to amend subparagraph (iii) of the Vertical Spread Variance ("VSV") Price Protection.[23] Currently, the first sentence of subparagraph (iii) provides that, "[b]uy orders with a limit price less than the minimum trading price limit will be rejected." The Exchange proposes to also reject sell limit orders and Offer eQuotes with a limit price less than the minimum trading price limit. As proposed the new sentence will read, "[b]uy orders, sell orders, and Offer eQuotes with a limit price less than the minimum trading price limit will be rejected." This change provides that the Exchange will not permit orders or eQuotes to be submitted into the System that appear to be erroneously priced because the prices are below the minimum trading price limit established by the Exchange for Vertical Spread strategies.

The Exchange believes extending price protections to sell limit orders and Offer eQuotes will benefit Members by rejecting interest priced below the minimum trading price limit back to the Member for reevaluation and potential re-submission at a price within the minimum and maximum trading price limits as determined by the Exchange.

---

[23] See Exchange Rule 532(b)(4).

The Exchange also proposes to make a minor non-substantive edit to the rule text of Rule 532(b)(5)(v). Currently, the rule text states that, "[i]f the MSPP is priced less aggressively than the limit price of the complex order (i.e., the MSPP is less than the complex order's bid price for a buy order, or the MSPP is greater than the complex order's offer price for a sell order) the order, or if the order is a complex market order, will be (i) executed up to, and including, its MSPP for buy orders; or (ii) executed down to, and including, its MSPP for sell orders. Any unexecuted portion of such a complex order will be canceled."

The Exchange proposes to remove the phrase "the order" after the parenthetical and to relocate it after the phrase, "or if the order is a complex market order," to improve the clarity of the rule text. As proposed the rule would state, "[i]f the MSPP is priced less aggressively than the limit price of the complex order (i.e., the MSPP is less than the complex order's bid price for a buy order, or the MSPP is greater than the complex order's offer price for a sell order), or if the order is a complex market order, **the order** will be (i) executed up to, and including, its MSPP for buy orders; or (ii) executed down to, and including, its MSPP for sell orders. Any unexecuted portion of such a complex order will be canceled." This proposed change will not affect the operation of the rule in any fashion.

Additionally, the Exchange proposes to make non-substantive changes to correct paragraph and subparagraph numbering that was erroneously introduced in the Exchange's Amendment 2[24] of the Exchange's original filing, SR-MIAX-2021-58.[25] The Exchange now

---

24 See Securities Exchange Act Release No. 94353 (March 3, 2022), 87 FR 13339 (March 9, 2022) (SR-MIAX-2021-58).

25 See Securities Exchange Act Release No. 93676 (November 29, 2021), 86 FR 68695 (December 3, 2021) (SR-MIAX-2021-58).

proposes to correct the numbering scheme throughout Rule 532. This proposed change will provide clarity and precision and will not affect the operation of the rule in any fashion.

Implementation

The Exchange proposes to implement the proposed rule changes in the third quarter of 2022. The Exchange will announce the implementation date to its Members via Regulatory Circular.

b. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act[26] in general, and furthers the objectives of Section 6(b)(5) of the Act[27] 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.

In particular, the Exchange believes the proposed price protections will protect investors and the public interest and maintain fair and orderly markets by mitigating potential risks associated with market participants entering sell limit orders and Offer eQuotes at clearly unintended prices and trading at prices that are extreme and potentially erroneous. The proposed price protections will assist in the maintenance of a fair and orderly market and protect investors by rejecting limit orders and eQuotes that are priced to sell below the minimum trading limit established by the Exchange for certain complex strategies. The Exchange believes this will

26 15 U.S.C. 78f(b).

27 15 U.S.C. 78f(b)(5).

promote just and equitable principles of trade and ultimately protect investors. Further, the Exchange notes that its proposal is designed to mitigate the potential risks of executions at prices that are not within acceptable price ranges, as a means to help mitigate potential risks associated with complex strategies trading at prices that are potentially erroneous or unintended. As such, the proposed rule change is designed to protect investors and the public interest.

The Exchange believes extending current price protections to sell limit orders and Offer eQuotes will protect investors and the public interest and assist the Exchange in maintaining fair and orderly markets by mitigating potential risks associated with market participants entering orders at clearly unintended prices and orders trading at prices that are extreme and potentially erroneous. The Exchange believes rejecting these orders is appropriate as it gives the Member the opportunity to reevaluate their order or eQuote and possibly resubmit the order or eQuote at a price within the minimum and maximum trading price limits for the strategy as established by the Exchange. The Exchange believes this will promote just and equitable principles of trade and ultimately protect investors.

The Exchange believes its proposal to make non-substantive changes to Rule 532(b)(5)(v) to improve the clarity of the rule protects investors and the public interest as having clear and concise rules avoids the potential for confusion and benefits investors. Finally, the Exchange believes its proposal to make non-substantive changes to correct the numbering scheme throughout the rule benefits investors and the public interest by logically and accurately organizing its rule text for clarity and ease of reference. The Exchange believes that the proposed rule change will provide greater clarity to Members and the public regarding the Exchange's Rules, and it is in the public interest for rules to be accurate and concise so as to eliminate the potential for confusion.

4. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

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 does not believe that the proposed rule change to extend existing price protections to sell Orders and Offer eQuotes for certain complex spread strategies will impose any burden on intra-market competition. The proposed rule benefits Members as it will extend price protections that will prevent the execution of certain strategies at prices that are potentially erroneous or unintended. The Exchange believes its proposal may enhance competition as Members that submit complex orders will be assured that the Exchange has risk protections in place to prevent the inadvertent execution of certain complex spread strategies at potentially erroneous or unintended prices. Further, the Exchange does not believe the proposed change will impose a burden on intra-market competition as the protection is available to all Members on the Exchange.

The Exchange does not believe that the proposed rule change will impose any burden on inter-market competition as the proposal is not competitive in nature, but rather seeks to extend existing price protections for certain complex order strategies. Alternatively, the Exchange's proposal could enhance competition among the various markets for complex order execution, potentially resulting in more active complex order trading on all exchanges. The Exchange notes that other exchanges have comparable price protections in place for certain complex strategies.[28]

The Exchange does not believe that the proposal to make non-substantive changes to rule 532(b)(5)(v) imposes any burden on intra-market or inter-market competition as the proposed changes add clarity and precision to the rule text and does not change the operation of the rule in

---

28 See e.g., Cboe Exchange Rule 5.34(b)(3)(A); see also Nasdaq Phlx Exchange Rule, Options 3, Section 16(c)(i).

any way. Additionally, the Exchange does not believe that the proposal to make non-substantive changes to Rule 532 to correct paragraph and subparagraph numbering imposes any burden on intra-market or inter-market competition as the proposed changes do not change the operation of the rule in any way and simply provides accuracy in the numbering convention used within the Exchange's Rules.

For the reasons stated, the Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, and the Exchange believes that the proposed rule changes may 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)

Pursuant to Section 19(b)(3)(A) of the Act[29] and Rule 19b-4(f)(6)[30] 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.

---

29 15 U.S.C. 78s(b)(3)(A).

30 17 CFR 240.19b-4(f)(6).

The Exchange does not believe that its proposal significantly affects the protection of investors or the public interest, but rather promotes the protection of investors and the public interest by extending existing price protections to sell limit orders and Offer eQuotes to prevent the execution of certain complex strategies at potentially erroneous prices.

The Exchange does not believe its proposal will impose any significant burden on competition as its proposal is not a competitive filing and seeks to extend existing price protections for certain complex strategies offered on the Exchange. Conversely, the Exchange believes its proposal will enhance competition among the various markets for complex order execution, potentially resulting in more active complex order trading on all exchanges. Further, the Exchange notes that other exchanges offer similar price protections for certain defined complex strategies.[31]

The Exchange does not believe that its proposal to make non-substantive changes to clarify rule text significantly affects the protection of investors or the public interest, but rather promotes the protection of investors and the public interest. The Exchange believes that the proposed rule change will provide greater clarity to Members and the public regarding the Exchange's rules, and it is in the public interest for rules to be accurate and concise so as to eliminate the potential for confusion. Further, the proposed non-substantive changes do not affect the operation of the Rule in any fashion.

The Exchange does not believe that its proposal to make non-substantive changes to clarify rule text will impose a significant burden on competition as the proposal is not competitive in nature and only clarifies existing rule text.

The Exchange does not believe that its proposal to make non-substantive changes to renumber paragraphs and subparagraphs throughout the Rule significantly affects the protection

---

31 See supra note 28.

of investors or the public interest, but rather promotes the protection of investors and the public interest by providing accuracy and ease of reference in the Exchange's rules. The proposed changes to correct paragraph numbering are non-substantive and do not affect the operation of the Rule in any fashion. The Exchange believes that the proposed rule change to correct the paragraph numbering will provide greater clarity to Members and the public regarding the Exchange's rules, and it is in the public interest for rules to be accurate and concise so as to eliminate the potential for confusion.

The Exchange does not believe that its proposal to renumber certain paragraphs and subparagraphs throughout the Rule will impose a significant burden on competition as the proposal is not competitive in nature and only seeks to provide accuracy and precision to the Rule for ease of reference.

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. In this regard, and as indicated above, the Exchange believes the proposed rule change is beneficial to Members as it will provide additional protections that will prevent the execution of certain complex orders at potentially erroneous or unwanted prices. The Exchange believes the proposal may enhance competition among exchanges and may attract additional complex order flow to the Exchange. Further, the Exchange does not believe the proposed rule change will impose any burden on intra-market competition because the price protection will be available to all Members of the Exchange.

Therefore, the Exchange believes that the proposed rule change is well-suited for, and meets the standards applicable to, the Commission's treatment of non-controversial proposals under Section 19(b)(3)(A) of the Act[32] and Rule 19b-4(f)(6) thereunder.[33] 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.

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[34] normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)[35] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange respectfully requests that the Commission waive the 30-day operative delay period pursuant to Section 19(b)(3)(A) of the Act[36] and paragraph (f)(6) of Rule 19b-4 thereunder.[37]

Waiver of the operative delay will allow the Exchange to immediately implement the proposed price protections described herein. It is consistent with the protection of investors and the public interest to provide price protection to all market participants to protect market participants from executing certain complex strategies at prices that are outside of a reasonable range for the strategy and may therefore be erroneous or unwanted.

---

32 15 U.S.C. 78s(b)(3)(A).

33 17 CFR 240.19b-4(f)(6).

34 Id.

35 Id.

36 15 U.S.C. 78s(b)(3)(A).

37 17 CFR 240.19b-4(f)(6).

Additionally, waiver of the operative delay will allow the Exchange to immediately implement the proposed non-substantive changes to the rule text that will provide greater detail and clarity in the Exchange's rules. It is consistent with the protection of investors and the public interest for Exchange rules to be clear and concise to reduce the potential for confusion.

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-MIAX-2022-25)

June _______, 2022

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange, LLC to Amend Exchange Rule 532, Order and Quote Price Protection Mechanisms and Risk Controls.

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 29, 2022, 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 532, Order and Quote Price Protection Mechanisms and Risk Controls.

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

---

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

2 17 CFR 240.19b-4.

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 Exchange Rule 532, Order and Quote Price Protection Mechanisms and Risk Controls, to (i) extend existing price protections to sell limit orders and Offer eQuotes for certain complex order spread strategies; (ii) make minor non-substantive edits to clarify existing rule text; and (iii) make non-substantive edits to correct numbering errors.

Background

Currently the Exchange offers three defined complex order spread strategies: Butterfly Spread, Calendar Spread, and Vertical Spread. A Butterfly Spread is a three legged Complex Order with two legs to buy (sell) the same number of calls (puts) and one leg to sell (buy) twice the number of calls (puts), all legs have the same expiration date but different exercise prices, and the exercise price of the middle leg is between the exercise prices of the other legs. The strike price of each leg is equidistant from the next sequential strike price.[3] A Calendar Spread is a complex strategy consisting of the purchase of one call (put) option and the sale of another call (put) option overlying the same security that have different expirations but the same strike price.[4] A Vertical Spread is a complex strategy consisting of the purchase of one call (put) option and

3 See Exchange Rule 532(b)(1)(i).

4 See Exchange Rule 532(b)(1)(ii).

the sale of another call (put) option overlying the same security that have the same expiration but different strike prices.[5]

For each of the aforementioned strategies the Exchange offers a price protection. The Exchange will determine a Butterfly Spread Variance ("BSV") which establishes the minimum and maximum trading price limits for Butterfly Spreads.[6] The minimum possible trading price limit of a Butterfly Spread is zero minus a pre-set value.[7] The maximum possible trading price limit of a Butterfly Spread is the absolute value of the difference between the closest strikes (the upper strike price minus the middle strike price or the middle strike price minus the lower strike price) plus a pre-set value.[8]

The Exchange will determine a Calendar Spread Variance ("CSV") which establishes a minimum trading price limit for Calendar Spreads.[9] The maximum possible value of a Calendar Spread is unlimited, thus there is no maximum price protection for Calendar Spreads. The minimum possible trading price limit of a Calendar Spread is zero minus a pre-set value.[10]

The Exchange will determine a Vertical Spread Variance ("VSV") which establishes minimum and maximum trading price limits for Vertical Spreads.[11] The maximum possible trading price limit of the VSV is the difference between the two component strike prices plus a

---

5 See Exchange Rule 532(b)(1)(iii).

6 See Exchange Rule 532(b)(2).

7 The pre-set value used by the Exchange is $0.10. See MIAX Options Exchange Regulatory Circular 2022-16, MIAX Order Price Protection Pre-set Values (March 4, 2022) available at https://www.miaxoptions.com/sites/default/files/circular-files/MIAX_Options_RC_2022_16.pdf.

8 See Exchange Rule 532(b)(2)(i).

9 See Exchange Rule 532(b)(3).

10 See Exchange Rule 532(b)(3)(i).

11 See Exchange Rule 532(b)(4).

pre-set value. For example, a Vertical Spread consisting of the purchase of one January 30 call and the sale of one January 35 call would have a maximum trading price limit of $5.00 plus a pre-set value. The minimum possible trading price limit of a Vertical Spread is always zero minus a pre-set value.[12]

Proposal

The Exchange now proposes to extend the price protections for each of the aforementioned complex order spread strategies. Specifically, the Exchange proposes to amend subparagraph (iii) of the Butterfly Spread Variance ("BSV") Price Protection.[13] Currently, the first sentence of subparagraph (iii) provides that, "[b]uy orders with a limit price of less than the minimum trading price limit will be rejected." The Exchange now proposes to also reject sell limit orders and Offer eQuotes with a limit price less than the minimum trading price limit. As proposed the new sentence will read, "[b]uy orders, sell orders, and Offer eQuotes with a limit price less than the minimum trading price limit will be rejected." This change provides that the Exchange will not permit orders or eQuotes to be submitted into the System[14] that appear to be erroneously priced because the prices are below the minimum trading price limit established by the Exchange for Butterfly Spread strategies.

The Exchange recently adopted Butterfly Spread Variance ("BSV") Price Protection functionality on the Exchange.[15] The Exchange determines a Butterfly Spread Variance which

12 See Exchange Rule 532(b)(4)(i).

13 See Exchange Rule 532(b)(2).

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

15 See Securities Exchange Act Release No. 94353 (March 3, 2022), 87 FR 13339 (March 9, 2022) (SR-MIAX-2021-58) (Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos.1 and 2, To Adopt Exchange Rule 532, Order and Quote Price Protection Mechanisms and Risk Controls).

establishes minimum and maximum trading price limits for Butterfly Spreads.[16] The minimum value of a Butterfly Spread is zero and the maximum value is capped at the absolute value of the difference between the closest strikes (the upper strike price minus the middle strike price or the middle strike price minus the lower strike price). To establish the maximum and minimum trading price limits, a pre-set value of $0.10[17] is added to the maximum value of the Butterfly Spread and subtracted from the minimum value of the Butterfly Spread. After establishing the minimum trading price limit the Exchange is able to evaluate orders and eQuotes for reasonableness as related to the minimum trading price limit. As such, sell limit orders and Offer eQuotes with a price below the minimum trading price limit will be rejected back to the Member[18] for reevaluation.

Example 1A (current behavior)

Butterfly Spread: Buy 1 July 50 Call, Sell 2 July 55 Calls, Buy 1 July 60 Call.

The maximum spread value is the absolute value of the difference between the closest strikes or $5.00 (60.00 - 55.00 or 55.00 - 50.00). The minimum spread value is zero.[19] The pre-set value is $0.10. Therefore, the maximum allowable price limit is then $5.10 ($5.00 + $0.10) and the minimum allowable price limit is then -$0.10 ($0.00 - $0.10).

A sell limit order or an Offer eQuote submitted with a price below the minimum trading price limit will be accepted and will trade down to, and including, the minimum trading price limit. Remaining interest will then be placed on the Strategy Book and managed to the

---

16 See Exchange Rule 532(b)(2)(i).

17 See supra note 7.

18 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.

19 See supra note 16.

appropriate trading price limit as described in Rule 518(c)(4), or cancelled if the Managed Protection Override is enabled.[20]

Example 1B (proposed behavior)[21]

Butterfly Spread: Buy 1 July 50 Call, Sell 2 July 55 Calls, Buy 1 July 60 Call.

Using the same information from Example 1A above, the maximum trading price limit is $5.10 and the minimum trading price limit is -$0.10. Under the Exchange's proposal a sell limit order or an Offer eQuote with a price below the minimum trading price limit submitted to the Exchange will be rejected back to the Member due to being priced below the minimum trading price limit.

The Exchange believes extending price protections to sell limit orders and Offer eQuotes will benefit Members by rejecting interest priced below the minimum trading price limit back to the Member for reevaluation and potential re-submission at a price within the minimum and maximum trading price limits as determined by the Exchange.

The Exchange also proposes to amend subparagraph (iii) of the Calendar Spread Variance ("CSV") Price Protection.[22] Currently, the first sentence of subparagraph (iii) provides that, "[b]uy orders with a limit price less than the minimum trading price limit will be rejected." The Exchange proposes to also reject sell limit orders and Offer eQuotes with a limit price less than the minimum trading price limit. As proposed the new sentence will read, "[b]uy orders, sell orders, and Offer eQuotes with a limit price less than the minimum trading price limit will be

---

20 See Exchange Rule 532(b)(2)(ii).

21 The Exchange notes that the proposed behavior described in Example 1B is applicable to both the Calendar Spread Variance Price Protection, and the Vertical Spread Variance Price Protection, as the minimum trading price limit for these strategies is also zero minus the pre-set value. See Exchange Rule 532(b)(3)(i) and 532(b)(4)(i), respectively.

22 See Exchange Rule 532(b)(3).

rejected." This change provides that the Exchange will not permit orders or eQuotes to be submitted into the System that appear to be erroneously priced because the prices are below the minimum trading price limit established by the Exchange for Calendar Spread strategies.

The Exchange believes extending price protections to sell limit orders and Offer eQuotes will benefit Members by rejecting interest priced below the minimum trading price limit back to the Member for reevaluation and potential re-submission at a price within the minimum and maximum trading price limits as determined by the Exchange.

The Exchange also proposes to amend subparagraph (iii) of the Vertical Spread Variance ("VSV") Price Protection.[23] Currently, the first sentence of subparagraph (iii) provides that, "[b]uy orders with a limit price less than the minimum trading price limit will be rejected." The Exchange proposes to also reject sell limit orders and Offer eQuotes with a limit price less than the minimum trading price limit. As proposed the new sentence will read, "[b]uy orders, sell orders, and Offer eQuotes with a limit price less than the minimum trading price limit will be rejected." This change provides that the Exchange will not permit orders or eQuotes to be submitted into the System that appear to be erroneously priced because the prices are below the minimum trading price limit established by the Exchange for Vertical Spread strategies.

The Exchange believes extending price protections to sell limit orders and Offer eQuotes will benefit Members by rejecting interest priced below the minimum trading price limit back to the Member for reevaluation and potential re-submission at a price within the minimum and maximum trading price limits as determined by the Exchange.

The Exchange also proposes to make a minor non-substantive edit to the rule text of Rule 532(b)(5)(v). Currently, the rule text states that, "[i]f the MSPP is priced less aggressively than

---

23 See Exchange Rule 532(b)(4).

the limit price of the complex order (i.e., the MSPP is less than the complex order's bid price for a buy order, or the MSPP is greater than the complex order's offer price for a sell order) the order, or if the order is a complex market order, will be (i) executed up to, and including, its MSPP for buy orders; or (ii) executed down to, and including, its MSPP for sell orders. Any unexecuted portion of such a complex order will be canceled."

The Exchange proposes to remove the phrase "the order" after the parenthetical and to relocate it after the phrase, "or if the order is a complex market order," to improve the clarity of the rule text. As proposed the rule would state, "[i]f the MSPP is priced less aggressively than the limit price of the complex order (i.e., the MSPP is less than the complex order's bid price for a buy order, or the MSPP is greater than the complex order's offer price for a sell order), or if the order is a complex market order, **the order** will be (i) executed up to, and including, its MSPP for buy orders; or (ii) executed down to, and including, its MSPP for sell orders. Any unexecuted portion of such a complex order will be canceled." This proposed change will not affect the operation of the rule in any fashion.

Additionally, the Exchange proposes to make non-substantive changes to correct paragraph and subparagraph numbering that was erroneously introduced in the Exchange's Amendment 2[24] of the Exchange's original filing, SR-MIAX-2021-58.[25] The Exchange now proposes to correct the numbering scheme throughout Rule 532. This proposed change will provide clarity and precision and will not affect the operation of the rule in any fashion.

Implementation

---

24 See Securities Exchange Act Release No. 94353 (March 3, 2022), 87 FR 13339 (March 9, 2022) (SR-MIAX-2021-58).

25 See Securities Exchange Act Release No. 93676 (November 29, 2021), 86 FR 68695 (December 3, 2021) (SR-MIAX-2021-58).

The Exchange proposes to implement the proposed rule changes in the third quarter of 2022. The Exchange will announce the implementation date to its Members via Regulatory Circular.

2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act[26] in general, and furthers the objectives of Section 6(b)(5) of the Act[27] 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.

In particular, the Exchange believes the proposed price protections will protect investors and the public interest and maintain fair and orderly markets by mitigating potential risks associated with market participants entering sell limit orders and Offer eQuotes at clearly unintended prices and trading at prices that are extreme and potentially erroneous. The proposed price protections will assist in the maintenance of a fair and orderly market and protect investors by rejecting limit orders and eQuotes that are priced to sell below the minimum trading limit established by the Exchange for certain complex strategies. The Exchange believes this will promote just and equitable principles of trade and ultimately protect investors. Further, the Exchange notes that its proposal is designed to mitigate the potential risks of executions at prices that are not within acceptable price ranges, as a means to help mitigate potential risks associated

---

[26] 15 U.S.C. 78f(b).

[27] 15 U.S.C. 78f(b)(5).

with complex strategies trading at prices that are potentially erroneous or unintended. As such, the proposed rule change is designed to protect investors and the public interest.

The Exchange believes extending current price protections to sell limit orders and Offer eQuotes will protect investors and the public interest and assist the Exchange in maintaining fair and orderly markets by mitigating potential risks associated with market participants entering orders at clearly unintended prices and orders trading at prices that are extreme and potentially erroneous. The Exchange believes rejecting these orders is appropriate as it gives the Member the opportunity to reevaluate their order or eQuote and possibly resubmit the order or eQuote at a price within the minimum and maximum trading price limits for the strategy as established by the Exchange. The Exchange believes this will promote just and equitable principles of trade and ultimately protect investors.

The Exchange believes its proposal to make non-substantive changes to Rule 532(b)(5)(v) to improve the clarity of the rule protects investors and the public interest as having clear and concise rules avoids the potential for confusion and benefits investors. Finally, the Exchange believes its proposal to make non-substantive changes to correct the numbering scheme throughout the rule benefits investors and the public interest by logically and accurately organizing its rule text for clarity and ease of reference. The Exchange believes that the proposed rule change will provide greater clarity to Members and the public regarding the Exchange's Rules, and it is in the public interest for rules to be accurate and concise so as to eliminate the potential for confusion.

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 does not believe that the proposed rule change to extend existing price protections to sell Orders and Offer eQuotes for certain complex spread strategies will impose any burden on intra-market competition. The proposed rule benefits Members as it will extend price protections that will prevent the execution of certain strategies at prices that are potentially erroneous or unintended. The Exchange believes its proposal may enhance competition as Members that submit complex orders will be assured that the Exchange has risk protections in place to prevent the inadvertent execution of certain complex spread strategies at potentially erroneous or unintended prices. Further, the Exchange does not believe the proposed change will impose a burden on intra-market competition as the protection is available to all Members on the Exchange.

The Exchange does not believe that the proposed rule change will impose any burden on inter-market competition as the proposal is not competitive in nature, but rather seeks to extend existing price protections for certain complex order strategies. Alternatively, the Exchange's proposal could enhance competition among the various markets for complex order execution, potentially resulting in more active complex order trading on all exchanges. The Exchange notes that other exchanges have comparable price protections in place for certain complex strategies.[28]

The Exchange does not believe that the proposal to make non-substantive changes to rule 532(b)(5)(v) imposes any burden on intra-market or inter-market competition as the proposed changes add clarity and precision to the rule text and does not change the operation of the rule in any way. Additionally, the Exchange does not believe that the proposal to make non-substantive changes to Rule 532 to correct paragraph and subparagraph numbering imposes any burden on intra-market or inter-market competition as the proposed changes do not change the operation of the rule in any way and simply provides accuracy in the numbering convention used within the Exchange's Rules.

---

28 See e.g., Cboe Exchange Rule 5.34(b)(3)(A); see also Nasdaq Phlx Exchange Rule, Options 3, Section 16(c)(i).

For the reasons stated, the Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, and the Exchange believes that the proposed rule changes may 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[29] and Rule 19b-4(f)(6)[30] thereunder.

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

IV. Solicitation of Comments

---

29 15 U.S.C. 78s(b)(3)(A).

30 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.

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-2022-25 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-2022-25. 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-2022-25 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.[31]

Vanessa Countryman
Secretary

[31] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC Rules

*****

Rule 532. Order and Quote Price Protection Mechanisms and Risk Controls

Managed Protection Override. The Managed Protection Override is a setting which, when enabled, allows Members to have their orders cancelled after a risk protection setting is triggered. If enabled the Managed Protection Override will apply to all of the risk protections listed below.

The following risk protection settings are subject to the Managed Protection Override:

- Vertical Spread Variance ("VSV") Price Protection
- Calendar Spread Variance ("CSV") Price Protection
- Butterfly Spread Variance ("BSV") Price Protection
- Parity Price Protection
- Max Put Price Protection

The Managed Protection Override does not apply to derived orders.

(a) **Simple Orders.**

([2]1) **Max Put Price Protection.** The Exchange will determine a maximum trading price limit for a Put option as the strike price plus a pre-set value, the Put Price Variance.

(i) – (iv) No change.

(b) **Complex Orders.**

([9]1) **Definitions**. For purposes of this paragraph (b):

(i) – (iii) No change.

([10]2) **Butterfly Spread Variance ("BSV") Price Protection.** The Exchange will determine a Butterfly Spread Variance ("BSV") which establishes minimum and maximum trading price limits for Butterfly Spreads.

(i) – (ii) No change.

(iii) Buy orders, sell orders, and Offer eQuotes with a limit price less than the minimum trading price limit will be rejected. Bid eQuotes with a limit price less than the minimum trading price limit will be cancelled. Sell orders with a limit price greater than the maximum trading price limit will be rejected. Offer eQuotes with a limit price greater than the maximum trading price limit will be cancelled.

(iv) No change.

([11]3) **Calendar Spread Variance ("CSV") Price Protection**. The Exchange will determine a Calendar Spread Variance ("CSV") which establishes a minimum trading price limit for Calendar Spreads.

(i) – (ii) No change.

(iii) Buy orders, sell orders, and Offer eQuotes with a limit price less than the minimum trading price limit will be rejected. Bid eQuotes with a limit price less than the minimum trading price limit will be cancelled.

(iv) – (v) No change.

([12]4) **Vertical Spread Variance ("VSV") Price Protection**. The Exchange will determine a Vertical Spread Variance ("VSV") which establishes minimum and maximum trading price limits for Vertical Spreads.

(i) – (ii) No change.

(iii) Buy orders, sell orders, and Offer eQuotes with a limit price less than the minimum trading price limit will be rejected. Bid eQuotes with a limit price less than the minimum trading price limit will be cancelled. Sell orders with a limit price greater than the maximum trading price limit will be rejected. Offer eQuotes with a limit price greater than the maximum trading price limit will be cancelled.

(iv) No change.

([13]5) **MIAX Strategy Price Protection ("MSPP")**. The System provides a MIAX Strategy Price Protection ("MSPP") for complex orders. The MSPP establishes a maximum protected price for buy orders and a minimum protected price for sell orders.

([vii]i) Complex orders with a time in force of Day or GTC are eligible for MSPP.

([viii]ii) To calculate the protected price the System will use a MIAX Strategy Price Protection Variance ("MSPPV") which will be determined by the Exchange and communicated to Members via Regulatory Circular.

([ix]iii) The MSPP is calculated for buy orders by adding the MSPPV to the offer side of the cNBBO (or the offer side of the dcMBBO if the cNBBO is crossed). The MSPP is calculated for sell orders by subtracting the MSPPV from the bid side of the cNBBO (or the bid side of the dcMBBO if the cNBBO is crossed).

([x]iv) The MSPP is established:

([E]A) upon receipt of the complex order during free trading; or

([F]B) if the complex order is not received during free trading, at the opening (or reopening following a halt) of trading in the complex strategy; or

([G]C) upon evaluation of the Strategy Book by the System when a wide market condition, as described in Interpretations and Policies .05(a)(1) of Rule 518, no longer exists.

([H]D) If a Wide Market condition exists at the start of a Complex Auction or a cPRIME Auction, buy orders are assigned an MSPP equal to the Auction Start Price plus the MSPPV and sell orders are assigned an MSPP equal to the Auction Start Price less the MSPPV.

([xi]v) If the MSPP is priced less aggressively than the limit price of the complex order (i.e., the MSPP is less than the complex order's bid price for a buy order, or the MSPP is greater than the complex order's offer price for a sell order) [the order], or if the order is a complex market order, the order will be (i) executed up to, and including, its MSPP for buy orders; or (ii) executed down to, and including, its MSPP for sell orders. Any unexecuted portion of such a complex order will be canceled.

([xii]vi) If the MSPP is priced equal to, or more aggressively than, the limit price of the complex order (i.e., the MSPP is greater than the complex order's bid price for a buy order, or the MSPP is less than the complex order's offer price for a sell order) the order will be (i) displayed and/or executed up to, and including, its limit price for buy orders; or (ii) displayed and/or executed down to, and including, its limit price for sell orders. Any unexecuted portion of such a complex order: (A) will be subject to the cLEP as described in subsection (e) of Rule 518; (B) may be submitted, if eligible, to the managed interest process described in Rule 518(c)(4);or (C) may be placed on the Strategy Book at its limit price.

([xiii]vii) The functional limit price of a market order will be the MSPP.

([14]6) **Complex MIAX Options Price Collar Protection**. The System provides a Complex MIAX Price Collar ("MPC") price protection feature for complex orders. The MPC 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").

([iii]i) 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 Rule 518) (collectively, "eQuotes"), are subject to the MPC price protection feature.

([iv]ii) The minimum MPC Setting is $0.00 and the maximum MPC Setting is $1.00, as determined by the Exchange and communicated to Members via Regulatory Circular. The MPC Setting will apply equally to all options listed on the Exchange in which complex orders are available, and will be the same dollar amount for both buy and sell transactions.

(iii) – (vi) No change.

([15]7) **Implied Away Best Bid or Offer ("ixABBO") Price Protection**. The ixABBO price protection feature is a price protection mechanism under which, when in operation as requested by the submitting Member, a buy order will not be executed at a price that is higher than each other single exchange's best displayed offer for the complex strategy, and under which a sell order will not be executed at a price that is lower than each other single exchange's best displayed bid for the complex strategy. The ixABBO is calculated using the best net bid and offer for a complex strategy using each other exchange's displayed best bid or offer on their simple order book. For stock-option orders, the ixABBO for a complex strategy will be calculated using the BBO for each component on each individual away options market and the NBBO for the stock component. The ixABBO price protection feature must be engaged on an order-by-order basis by the submitting Member and is not available for complex Standard quotes, complex eQuotes, cAOC orders, cPRIME Orders, cC2C Orders, and cQCC Orders.

([16]8) **Market Maker Single Side Protection.** A Market Maker may determine to engage the Market Maker Single Side Protection ("SSP") feature by Market Participant Identifier ("MPID"). If the full remaining size of a Market Maker's complex Standard quote or cIOC eQuote in a strategy is exhausted by a trade, the System will trigger the SSP for the traded side of the strategy. When triggered, the System will cancel all complex Standard quotes and block all new inbound complex Standard quotes and cIOC eQuotes for that particular side of that strategy for that MPID. The System will provide a notification message to the Market Maker that the protection has been triggered. The block will remain in effect until the Market Maker notifies the Exchange (in a manner required by the Exchange and communicated to Members by Regulatory Circular) to reset the SSP ("SSP Reset").

*****