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Page 1 of \* 32

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

File No. \* SR 2024 - \* 13

Amendment No. (req. for Amendments \*)

Filing by MIAX Sapphire, LLC

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

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		
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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 \*).

Adopt MIAX Fee Schedule

**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@miaxglobal.com

Telephone \* (609) 897-1483    Fax

**Signature**

Pursuant to the requirements of the Securities Exchange of 1934, MIAX Sapphire, LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 08/06/2024 (Title \*)

By Gregory P. Ziegler Senior Counsel  
(Name \*)

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: 2024.08.06  
11:06:58 -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 EDFS website.

**Form 19b-4 Information \***

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SR-SAPPHIRE-2024-13 19b-4 Fee S

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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SR-SAPPHIRE-2024-13 Exhibit 1.doc

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 \***

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

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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 Sent As Paper Document

**Exhibit 3 - Form, Report, or Questionnaire**

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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 Sent As Paper Document

**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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SR-SAPPHIRE-2024-13 Ex.5 Fee Sch

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) MIAX Sapphire, LLC (“MIAX Sapphire” or “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> proposes to establish a Fee Schedule (the “Fee Schedule”) for fees and rebates applicable to participants trading options on and/or using services provided by MIAX Sapphire. MIAX Sapphire will commence operations as a national securities exchange registered under Section 6 of the Act<sup>3</sup> on August 12, 2024.<sup>4</sup>

While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on August 12, 2024.

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

(b) Inapplicable.

(c) Inapplicable.

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 Sapphire Board of Directors on July 23, 2024.

Exchange staff will advise the Board of Directors of any action taken pursuant to delegated

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78f.

<sup>4</sup> See Securities Exchange Act Release No. 100539 (July 15, 2024), 89 FR 58848 (July 19, 2024) (File No. 10-240) (order approving application of MIAX Sapphire, LLC for registration as a national securities exchange).

authority. No other action by the Exchange is necessary for the filing of the proposed rule change.

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

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

a. Purpose

The purpose of the proposed rule change is to establish a Fee Schedule which will contain the transaction rebates and fees applicable to market participants trading options on and/or using services provided by the Exchange. Specifically, the Fee Schedule will contain (i) a definitions section; (ii) proposed section 1) a) which the Exchange is proposing to reserve to be amended by a later proposal; and (iii) proposed section 1) b), Fees for Customer Orders Routed to Another Options Exchange. These rebates and fees will apply to all market participants trading options on and/or using services provided by MIAX Sapphire.

Definitions

The Exchange has included a Definitions section at the beginning of its Fee Schedule. The purpose of the Definitions section is to streamline the Fee Schedule by placing many of the defined terms used in the Fee Schedule in one location at the beginning of the Fee Schedule. Many of the defined terms are also defined in the Exchange Rules, particularly in Exchange Rule 100. Any defined terms that are also defined or otherwise explained in the Exchange Rules contain a cross reference to the relevant Exchange Rule. The Exchange notes that other exchanges have Definitions sections in their respective fee schedules,<sup>5</sup> and the Exchange

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<sup>5</sup> See Securities Exchange Act Release Nos. 70200 (August 14, 2013), 78 FR 51242 (August 20, 2013)(SR-Topaz-2013-10); 76453 (November 17, 2015), 80 FR 72999 (November 23, 2015)(SR-EDGX-2015-56);

believes that including a Definitions section in the front of the Exchange's Fee Schedule makes the Fee Schedule more user-friendly. The Exchange notes that the proposed definitions to be included in the Definitions section of the Exchange's Fee Schedule are substantially similar to those definitions found in the Fee Schedule of the Exchange's affiliate, MIAX PEARL, LLC ("MIAX Pearl"), with the following few exceptions.

The MIAX Sapphire term "Full Service MEO Port" is defined in the same fashion as the term "Full Service MEO Port – Bulk" is defined in the Definitions section of the MIAX Pearl Options Fee Schedule.

The MIAX Sapphire term "'Dedicated' cross-connect" is integrated into the definition of "cross connect" in the Definitions section of the MIAX Sapphire Fee Schedule and is identical to the definition of "'Dedicated' cross-connect" used in the Definitions section of the Fee Schedule of the Exchange's affiliate, MIAX Emerald, LLC ("MIAX Emerald").

The MIAX Sapphire term "MENI" described in the Definitions section of the MIAX Sapphire Fee Schedule provides a more fulsome description of the MIAX Express Network Interconnect than the definition provided in the MIAX Pearl Options Fee Schedule.

The MIAX Sapphire term "Purge Ports" is defined in the same fashion as the term "MEO Purge Ports" is defined in the Definitions section of the MIAX Pearl Options Fee Schedule.

These minor deviations from the established definitions of like terms in the MIAX Pearl Options Fee Schedule are de minimis in nature and not reflective of new functionality being introduced on the MIAX Sapphire Exchange.

#### Routing Fees

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80061 (February 17, 2017), 82 FR 11676 (February 24, 2017)(SR-PEARL-2017-10); and 85393 (March 21, 2019), 84 FR 11599 (March 27, 2019)(SR-EMERALD-2019-15).

MIAX Sapphire proposes to assess Routing Fees in order to recoup costs incurred by MIAX Sapphire when routing orders to various away markets. The Exchange notes that the proposed fees are substantially similar to those of the Exchange’s affiliates, Miami International Securities Exchange LLC (“MIAX”), MIAX Pearl, and MIAX Emerald.<sup>6</sup> The amount of the applicable fee is based upon (i) the Origin type of the order, (ii) whether it is an order for an option in a Penny or Non-Penny class (or other explicitly identified classes) and (iii) to which away market it is being routed, according to the following table:<sup>7</sup>

Description	Fees
Routed, Priority Customer, Penny Program, to: NYSE American, Cboe, Cboe EDGX Options, MIAX, Nasdaq PHLX (except SPY), Nasdaq MRX	\$0.15
Routed, Priority Customer, Penny Program, to: BOX	\$0.30
Routed, Priority Customer, Penny Program, to: NYSE Arca Options, Cboe BZX Options, Cboe C2, Nasdaq GEMX, Nasdaq ISE, NOM, Nasdaq PHLX (SPY only), MIAX Pearl, MIAX Emerald, Nasdaq BX Options, MEMX	\$0.65
Routed, Priority Customer, Non-Penny Program, to: NYSE American, BOX, Cboe, Cboe EDGX Options, MIAX, Nasdaq PHLX, Nasdaq MRX	\$0.15
Routed, Priority Customer, Non-Penny Program, to: NYSE Arca Options, Cboe BZX Options, Cboe C2, Nasdaq GEMX, NOM, MIAX Pearl, MIAX Emerald, Nasdaq BX Options, Nasdaq ISE, MEMX	\$1.00
Routed, Public Customer that is not a Priority Customer, Penny Program, to: NYSE American, NYSE Arca Options, Cboe BZX Options, BOX, Cboe, Cboe C2, Cboe EDGX Options, Nasdaq GEMX, Nasdaq ISE, Nasdaq MRX, MIAX, MIAX Pearl, MIAX Emerald, NOM, Nasdaq PHLX, Nasdaq BX Options, MEMX	\$0.65
Routed, Public Customer that is not a Priority Customer, Non-Penny Program, to: NYSE American, MIAX, Cboe, Nasdaq PHLX, Cboe EDGX Options, NOM	\$1.00
Routed, Public Customer that is not a Priority Customer, Non-Penny Program, to: Cboe C2, BOX	\$1.15
Routed, Public Customer that is not a Priority Customer, Non-Penny Program, to: NYSE Arca Options, Nasdaq GEMX, Nasdaq MRX, MIAX Pearl, MIAX Emerald, MEMX	\$1.25
Routed, Public Customer that is not a Priority Customer, Non-Penny Program, to: Cboe BZX Options, Nasdaq ISE, Nasdaq BX Options	\$1.40

<sup>6</sup> See MIAX Fee Schedule, Section 1) c), Fees for Customer Orders Routed to Another Options Exchange, MIAX Pearl Options Fee Schedule, Section 1) b), Fees for Customer Orders Routed to Another Options Exchange, and MIAX Emerald Options Fee Schedule, Section 1) b), Fees for Customer Orders Routed to Another Options Exchange.

<sup>7</sup> This is similar to the methodologies utilized by the Exchange’s affiliates, MIAX, MIAX Pearl, and MIAX Emerald in assessing Routing Fees. See id.

In determining its proposed Routing Fees, the Exchange took into account transaction fees and rebates assessed by the away markets to which the Exchange routes orders, as well as the Exchange's clearing, administrative, regulatory, and technical costs associated with routing orders to an away market. The Exchange uses unaffiliated routing brokers to route orders to the away markets; the costs associated with the use of these services are included in the Routing Fees specified in the Fee Schedule. These fees are substantially similar to the Exchange's affiliates.<sup>8</sup> Additionally, this Routing Fees structure is substantially similar to the Exchange's affiliates as well,<sup>9</sup> and is also comparable to the fee structure in place on at least one other options exchange, Cboe BZX Options.<sup>10</sup>

The Exchange is proposing to have ten different exchange groupings, based on the exchange, order type, and option class. The Exchange believes that having these groupings will allow the Exchange to approximate its costs associated with routing orders to away markets. The per-contract transaction fee amount associated with each grouping closely approximates the Exchange's all-in cost (plus an additional, non-material amount) to execute that corresponding contract at that corresponding exchange. For example, to execute a Priority Customer order in a Penny Pilot symbol at NYSE American costs the Exchange approximately \$0.15 a contract. Since this is also the approximate cost to execute that same order at Cboe, the Exchange is able to group NYSE American and Cboe together in the same grouping. The Exchange notes that in

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<sup>8</sup> See supra note 6.

<sup>9</sup> See supra note 7.

<sup>10</sup> See Cboe U.S. Options Fee Schedules, BZX Options, Fee Codes and Associated Fees, available at [https://www.cboe.com/us/options/membership/fee\\_schedule/bzx/](https://www.cboe.com/us/options/membership/fee_schedule/bzx/). The Cboe BZX fee schedule has exchange groupings, whereby several exchanges are grouped into the same category, dependent on the order's Origin type and whether it is a Penny or Non-Penny Pilot class. For example, Cboe BZX fee code RQ covers routed customer orders in Penny classes to NYSE Arca Options, Cboe C2, Nasdaq ISE, Nasdaq GEMX, MIAX Emerald, MIAX Pearl, NOM or MEMX, with a single fee of \$0.85 per contract.

determining the appropriate groupings, the Exchange considered the transaction fees and rebates assessed by away markets, and grouped exchanges together that assess transaction fees for routed orders within a similar range. This same logic and structure applies to all of the groupings in the proposed Routing Fees table. By utilizing the same structure that is utilized by the Exchange's affiliates, MIAX, MIAX Pearl, and MIAX Emerald, those members which are also Members<sup>11</sup> of the Exchange, will be assessed Routing Fees in the same amount and manner, which the Exchange believes will minimize any confusion as to the method of assessing Routing Fees between the four exchanges. The Exchange notes that this proposal is identical to the structure of the routing fee table and the fees assessed by the Exchange's affiliates.<sup>12</sup>

b. Statutory Basis

The Exchange believes that its proposal to establish its Fee Schedule is consistent with Section 6(b) of the Act<sup>13</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>14</sup> in particular, in that it is an equitable allocation of reasonable fees and other charges among its members and issuers and other persons using its facilities. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act<sup>15</sup> in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customers, issuers,

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<sup>11</sup> The term "Member" means an individual or organization that is registered with the Exchange pursuant to Chapter II of MIAX Sapphire Rules for purposes of trading on the Exchange as an "Electronic Exchange Member" or "Market Maker." Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

<sup>12</sup> See supra note 7.

<sup>13</sup> 15 U.S.C. 78f(b).

<sup>14</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>15</sup> 15 U.S.C 78f(b)(5).



brokers and dealers. Additionally, the Exchange believes the proposal is consistent with Section 6(b)(5)<sup>16</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

### Definitions

The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act<sup>17</sup> in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers. The Exchange believes providing a Definitions section in its Fee Schedule protects investors and the public interest by clarifying terms and locating them in a dedicated section of the Fee Schedule for ease of reference, thereby reducing the chance of confusion. Additionally, the Exchange notes that the proposed definitions are substantially similar to those of the Exchange's affiliate, MIAX Pearl Options, and are intended to ensure that the Fee Schedule is clear and unambiguous.

### Routing Fees

The Exchange believes the proposal to establish routing fees and a routing fee structure of groupings of options exchanges within the routing fee table furthers the objectives of Section 6(b)(4) of the Act and is an equitable allocation of reasonable fees and not unfairly discriminatory because all Members that are subject to routing fees are treated in a uniform manner.

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<sup>16</sup> Id.

<sup>17</sup> 15 U.S.C 78f(b)(5).

The Exchange believes the proposed routing fee table exchange groupings furthers the objectives of Section 6(b)(5) of the Act and is designed to promote just and equitable principles of trade and is not unfairly discriminatory as the proposal change seeks to recoup costs that are incurred by the Exchange when routing Priority and Public Customer Orders to away markets on behalf of Members and does so in the same manner for all Members that are subject to routing fees and therefore is not discriminatory and furthers just and equitable principles of trade. The costs to the Exchange to route orders to away markets for execution primarily includes transaction fees assessed by the away markets to which the Exchange routes orders, in addition to the Exchange's clearing, administrative, regulatory and technical costs.

The Exchange believes that the proposed Routing Fees are reasonable, equitable and not unfairly discriminatory because they seek to recoup costs incurred by MIAX Sapphire when routing orders to various away markets. In determining its proposed Routing Fees, the Exchange took into account transaction fees and rebates assessed by the away markets to which the Exchange routes orders, as well as the Exchange's clearing costs, administrative, regulatory, and technical costs associated with routing orders to an away market. The Exchange uses unaffiliated routing brokers to route orders to the away markets; the costs associated with the use of these services are included in the Routing Fees specified in the Fee Schedule. This Routing Fees structure is not only similar to the Exchange's affiliates, MIAX, MIAX Pearl, and MIAX Emerald,<sup>18</sup> but is also comparable to the structure in place on at least one other options exchange, Cboe BZX Options.<sup>19</sup> The Exchange believes that having ten groupings for its proposed routing fees is reasonable, equitable and not unfairly discriminatory because the Exchange will be able to

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<sup>18</sup> See supra note 7.

<sup>19</sup> See supra note 10.

better approximate its costs associated with routing orders to away markets. The per-contract transaction fee amount associated with each grouping closely approximates the Exchange's all-in cost (plus an additional, non-material amount) to execute that corresponding contract at that corresponding exchange. The Exchange notes that in determining the appropriate groupings, the Exchange considered the transaction fees and rebates assessed by away markets, and grouped exchanges together that assess transaction fees for routed orders within a similar range. This same logic and structure applies to all of the groupings in the proposed Routing Fees table. By utilizing the same structure that is utilized by the Exchange's affiliates, MIAX, MIAX Pearl, and MIAX Emerald, those members which are also Members of the Exchange will be assessed Routing Fees in the same manner, which the Exchange believes will minimize any confusion as to the method of assessing Routing Fees between the four exchanges. This proposal is identical to the routing fee tables of the Exchange's affiliates, MIAX, MIAX Pearl, and MIAX Emerald.<sup>20</sup>

#### 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 not necessary or appropriate in furtherance of the purposes of the Act. MIAX Sapphire's proposed fees, as described herein, are comparable to fees charged by its affiliates, MIAX, MIAX Pearl, and MIAX Emerald,<sup>21</sup> for the same service.

#### Definitions

The Exchange does not believe that its proposal to adopt a Definitions section to its Fee Schedule imposes any unnecessary burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed definitions are designed to

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<sup>20</sup> See supra note 7.

<sup>21</sup> See supra note 6.

improve the clarity and precision of the Exchange's Fee Schedule and are not competitive in nature.

### Routing Fees

The Exchange does not believe that its proposal to adopt a Routing Fees imposes any unnecessary burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's Routing Fees reflect the costs and fees incurred by the Exchange when routing orders to away markets on behalf of Members and are applied in a uniform manner to all similarly situated Members. Additionally, the Exchange notes that at least one other options exchange employs a similar routing fee structure.<sup>22</sup>

The Exchange does not believe that the proposal will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that at least one other options exchange approximates its routing costs in a manner similar to that of the Exchange.<sup>23</sup> Additionally, the Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. Members have numerous alternative venues that they may participate on and direct their order flow to, including 16 other options exchanges. Based on publicly available information, no single options exchange has more than 16% of the market share.<sup>24</sup> Therefore, no exchange possesses significant pricing power in the execution of option order flow.

Additionally, the Commission has repeatedly expressed its preference for competition over

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<sup>22</sup> See supra note 10.

<sup>23</sup> See supra note 10.

<sup>24</sup> See "Market Share/MTD AVERAGE", available at <https://www.miaxglobal.com/> (data as of 7/1/2024 – 7/12/2024).

regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”<sup>25</sup> The fact that this market is competitive has also long been recognized by the courts. In NetCoalition v. SEC, the D.C. Circuit stated as follows: “[n]o one disputes that competition for order flow is ‘fierce.’ . . . As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchanges possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’ . . .”<sup>26</sup> Accordingly, the Exchange does not believe that its proposal imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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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<sup>25</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

<sup>26</sup> NetCoalition v. SEC, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSE-2006-21)).

Pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>27</sup> and Rule 19b-4(f)(2) thereunder<sup>28</sup> the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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

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. Completed notice of proposed rule change for publication in the Federal Register.
5. Copy of the applicable section of the MIAX Sapphire Fee Schedule.

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<sup>27</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>28</sup> 17 CFR 240.19b-4.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-SAPPHIRE-2024-13)

August \_\_, 2024

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX Sapphire LLC to Establish a Fee Schedule

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 6, 2024, MIAX Sapphire, LLC (“MIAX Sapphire” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange is filing a proposal to establish a Fee Schedule (the “Fee Schedule”) for fees and rebates applicable to participants trading options on and/or using services provided by MIAX Sapphire. MIAX Sapphire will commence operations as a national securities exchange registered under Section 6 of the Act<sup>3</sup> on August 12, 2024.<sup>4</sup>

While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on August 12, 2024.

The text of the proposed rule change is available on the Exchange’s website at <https://www.miaxglobal.com/markets/us-options/miax-sapphire/rule-filings>, at the Exchange’s

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78f.

<sup>4</sup> See Securities Exchange Act Release No. 100539 (July 15, 2024), 89 FR 58848 (July 19, 2024) (File No. 10-240) (order approving application of MIAX Sapphire, LLC for registration as a national securities exchange).

principal office, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified 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

Definitions

The Exchange has included a Definitions section at the beginning of its Fee Schedule. The purpose of the Definitions section is to streamline the Fee Schedule by placing many of the defined terms used in the Fee Schedule in one location at the beginning of the Fee Schedule. Many of the defined terms are also defined in the Exchange Rules, particularly in Exchange Rule 100. Any defined terms that are also defined or otherwise explained in the Exchange Rules contain a cross reference to the relevant Exchange Rule. The Exchange notes that other exchanges have Definitions sections in their respective fee schedules,<sup>5</sup> and the Exchange believes that including a Definitions section in the front of the Exchange's Fee Schedule makes the Fee Schedule more user-friendly. The Exchange notes that the proposed definitions to be included in the Definitions section of the Exchange's Fee Schedule are substantially similar to

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<sup>5</sup> See Securities Exchange Act Release Nos. 70200 (August 14, 2013), 78 FR 51242 (August 20, 2013)(SR-Topaz-2013-10); 76453 (November 17, 2015), 80 FR 72999 (November 23, 2015)(SR-EDGX-2015-56); 80061 (February 17, 2017), 82 FR 11676 (February 24, 2017)(SR-PEARL-2017-10); and 85393 (March 21, 2019), 84 FR 11599 (March 27, 2019)(SR-EMERALD-2019-15).



those definitions found in the Fee Schedule of the Exchange's affiliate, MIAX PEARL, LLC ("MIAX Pearl"), with the following few exceptions.

The MIAX Sapphire term "Full Service MEO Port" is defined in the same fashion as the term "Full Service MEO Port – Bulk" is defined in the Definitions section of the MIAX Pearl Options Fee Schedule.

The MIAX Sapphire term "'Dedicated' cross-connect" is integrated into the definition of "cross connect" in the Definitions section of the MIAX Sapphire Fee Schedule and is identical to the definition of "'Dedicated' cross-connect" used in the Definitions section of the Fee Schedule of the Exchange's affiliate, MIAX Emerald, LLC ("MIAX Emerald").

The MIAX Sapphire term "MENI" described in the Definitions section of the MIAX Sapphire Fee Schedule provides a more fulsome description of the MIAX Express Network Interconnect than the definition provided in the MIAX Pearl Options Fee Schedule.

The MIAX Sapphire term "Purge Ports" is defined in the same fashion as the term "MEO Purge Ports" is defined in the Definitions section of the MIAX Pearl Options Fee Schedule.

These minor deviations from the established definitions of like terms in the MIAX Pearl Options Fee Schedule are de minimis in nature and not reflective of new functionality being introduced on the MIAX Sapphire Exchange.

#### Routing Fees

MIAX Sapphire proposes to assess Routing Fees in order to recoup costs incurred by MIAX Sapphire when routing orders to various away markets. The Exchange notes that the proposed fees are substantially similar to those of the Exchange's affiliates, Miami International Securities Exchange LLC ("MIAX"), MIAX Pearl, and MIAX Emerald.<sup>6</sup> The amount of the

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<sup>6</sup> See MIAX Fee Schedule, Section 1) c), Fees for Customer Orders Routed to Another Options Exchange, MIAX Pearl Options Fee Schedule, Section 1) b), Fees for Customer Orders Routed to Another Options

applicable fee is based upon (i) the Origin type of the order, (ii) whether it is an order for an option in a Penny or Non-Penny class (or other explicitly identified classes) and (iii) to which away market it is being routed, according to the following table:<sup>7</sup>

Description	Fees
Routed, Priority Customer, Penny Program, to: NYSE American, Cboe, Cboe EDGX Options, MIAX, Nasdaq PHLX (except SPY), Nasdaq MRX	\$0.15
Routed, Priority Customer, Penny Program, to: BOX	\$0.30
Routed, Priority Customer, Penny Program, to: NYSE Arca Options, Cboe BZX Options, Cboe C2, Nasdaq GEMX, Nasdaq ISE, NOM, Nasdaq PHLX (SPY only), MIAX Pearl, MIAX Emerald, Nasdaq BX Options, MEMX	\$0.65
Routed, Priority Customer, Non-Penny Program, to: NYSE American, BOX, Cboe, Cboe EDGX Options, MIAX, Nasdaq PHLX, Nasdaq MRX	\$0.15
Routed, Priority Customer, Non-Penny Program, to: NYSE Arca Options, Cboe BZX Options, Cboe C2, Nasdaq GEMX, NOM, MIAX Pearl, MIAX Emerald, Nasdaq BX Options, Nasdaq ISE, MEMX	\$1.00
Routed, Public Customer that is not a Priority Customer, Penny Program, to: NYSE American, NYSE Arca Options, Cboe BZX Options, BOX, Cboe, Cboe C2, Cboe EDGX Options, Nasdaq GEMX, Nasdaq ISE, Nasdaq MRX, MIAX, MIAX Pearl, MIAX Emerald, NOM, Nasdaq PHLX, Nasdaq BX Options, MEMX	\$0.65
Routed, Public Customer that is not a Priority Customer, Non-Penny Program, to: NYSE American, MIAX, Cboe, Nasdaq PHLX, Cboe EDGX Options, NOM	\$1.00
Routed, Public Customer that is not a Priority Customer, Non-Penny Program, to: Cboe C2, BOX	\$1.15
Routed, Public Customer that is not a Priority Customer, Non-Penny Program, to: NYSE Arca Options, Nasdaq GEMX, Nasdaq MRX, MIAX Pearl, MIAX Emerald, MEMX	\$1.25
Routed, Public Customer that is not a Priority Customer, Non-Penny Program, to: Cboe BZX Options, Nasdaq ISE, Nasdaq BX Options	\$1.40

In determining its proposed Routing Fees, the Exchange took into account transaction fees and rebates assessed by the away markets to which the Exchange routes orders, as well as the Exchange's clearing, administrative, regulatory, and technical costs associated with routing orders to an away market. The Exchange uses unaffiliated routing brokers to route orders to the away markets; the costs associated with the use of these services are included in the Routing Fees specified in the Fee Schedule. These fees are substantially similar to the Exchange's

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Exchange, and MIAX Emerald Options Fee Schedule, Section 1) b), Fees for Customer Orders Routed to Another Options Exchange.

<sup>7</sup> This is similar to the methodologies utilized by the Exchange's affiliates, MIAX, MIAX Pearl, and MIAX Emerald in assessing Routing Fees. See id.

affiliates.<sup>8</sup> Additionally, this Routing Fees structure is substantially similar to the Exchange's affiliates as well,<sup>9</sup> and is also comparable to the fee structure in place on at least one other options exchange, Cboe BZX Options.<sup>10</sup>

The Exchange is proposing to have ten different exchange groupings, based on the exchange, order type, and option class. The Exchange believes that having these groupings will allow the Exchange to approximate its costs associated with routing orders to away markets. The per-contract transaction fee amount associated with each grouping closely approximates the Exchange's all-in cost (plus an additional, non-material amount) to execute that corresponding contract at that corresponding exchange. For example, to execute a Priority Customer order in a Penny Pilot symbol at NYSE American costs the Exchange approximately \$0.15 a contract. Since this is also the approximate cost to execute that same order at Cboe, the Exchange is able to group NYSE American and Cboe together in the same grouping. The Exchange notes that in determining the appropriate groupings, the Exchange considered the transaction fees and rebates assessed by away markets, and grouped exchanges together that assess transaction fees for routed orders within a similar range. This same logic and structure applies to all of the groupings in the proposed Routing Fees table. By utilizing the same structure that is utilized by the Exchange's affiliates, MIAX, MIAX Pearl, and MIAX Emerald, those members which are also Members<sup>11</sup>

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<sup>8</sup> See supra note 6.

<sup>9</sup> See supra note 7.

<sup>10</sup> See Cboe U.S. Options Fee Schedules, BZX Options, Fee Codes and Associated Fees, available at [https://www.cboe.com/us/options/membership/fee\\_schedule/bzx/](https://www.cboe.com/us/options/membership/fee_schedule/bzx/). The Cboe BZX fee schedule has exchange groupings, whereby several exchanges are grouped into the same category, dependent on the order's Origin type and whether it is a Penny or Non-Penny Pilot class. For example, Cboe BZX fee code RQ covers routed customer orders in Penny classes to NYSE Arca Options, Cboe C2, Nasdaq ISE, Nasdaq GEMX, MIAX Emerald, MIAX Pearl, NOM or MEMX, with a single fee of \$0.85 per contract.

<sup>11</sup> The term "Member" means an individual or organization that is registered with the Exchange pursuant to Chapter II of MIAX Sapphire Rules for purposes of trading on the Exchange as an "Electronic Exchange Member" or "Market Maker." Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

of the Exchange, will be assessed Routing Fees in the same amount and manner, which the Exchange believes will minimize any confusion as to the method of assessing Routing Fees between the four exchanges. The Exchange notes that this proposal is identical to the structure of the routing fee table and the fees assessed by the Exchange's affiliates.<sup>12</sup>

## 2. Statutory Basis

The Exchange believes that its proposal to establish its Fee Schedule is consistent with Section 6(b) of the Act<sup>13</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>14</sup> in particular, in that it is an equitable allocation of reasonable fees and other charges among its members and issuers and other persons using its facilities. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act<sup>15</sup> in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers. Additionally, the Exchange believes the proposal is consistent with Section 6(b)(5)<sup>16</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

### Definitions

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<sup>12</sup> See supra note 7.

<sup>13</sup> 15 U.S.C. 78f(b).

<sup>14</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>15</sup> 15 U.S.C 78f(b)(5).

<sup>16</sup> Id.

The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act<sup>17</sup> in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers. The Exchange believes providing a Definitions section in its Fee Schedule protects investors and the public interest by clarifying terms and locating them in a dedicated section of the Fee Schedule for ease of reference, thereby reducing the chance of confusion. Additionally, the Exchange notes that the proposed definitions are substantially similar to those of the Exchange's affiliate, MIAX Pearl Options, and are intended to ensure that the Fee Schedule is clear and unambiguous.

#### Routing Fees

The Exchange believes the proposal to establish routing fees and a routing fee structure of groupings of options exchanges within the routing fee table furthers the objectives of Section 6(b)(4) of the Act and is an equitable allocation of reasonable fees and not unfairly discriminatory because all Members that are subject to routing fees are treated in a uniform manner.

The Exchange believes the proposed routing fee table exchange groupings furthers the objectives of Section 6(b)(5) of the Act and is designed to promote just and equitable principles of trade and is not unfairly discriminatory as the proposal change seeks to recoup costs that are incurred by the Exchange when routing Priority and Public Customer Orders to away markets on behalf of Members and does so in the same manner for all Members that are subject to routing fees and therefore is not discriminatory and furthers just and equitable principles of trade. The

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<sup>17</sup> 15 U.S.C 78f(b)(5).

costs to the Exchange to route orders to away markets for execution primarily includes transaction fees assessed by the away markets to which the Exchange routes orders, in addition to the Exchange's clearing, administrative, regulatory and technical costs.

The Exchange believes that the proposed Routing Fees are reasonable, equitable and not unfairly discriminatory because they seek to recoup costs incurred by MIAX Sapphire when routing orders to various away markets. In determining its proposed Routing Fees, the Exchange took into account transaction fees and rebates assessed by the away markets to which the Exchange routes orders, as well as the Exchange's clearing costs, administrative, regulatory, and technical costs associated with routing orders to an away market. The Exchange uses unaffiliated routing brokers to route orders to the away markets; the costs associated with the use of these services are included in the Routing Fees specified in the Fee Schedule. This Routing Fees structure is not only similar to the Exchange's affiliates, MIAX, MIAX Pearl, and MIAX Emerald,<sup>18</sup> but is also comparable to the structure in place on at least one other options exchange, Cboe BZX Options.<sup>19</sup> The Exchange believes that having ten groupings for its proposed routing fees is reasonable, equitable and not unfairly discriminatory because the Exchange will be able to better approximate its costs associated with routing orders to away markets. The per-contract transaction fee amount associated with each grouping closely approximates the Exchange's all-in cost (plus an additional, non-material amount) to execute that corresponding contract at that corresponding exchange. The Exchange notes that in determining the appropriate groupings, the Exchange considered the transaction fees and rebates assessed by away markets, and grouped exchanges together that assess transaction fees for routed orders within a similar range. This same logic and structure applies to all of the groupings in the proposed Routing Fees table. By

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<sup>18</sup> See supra note 7.

<sup>19</sup> See supra note 10.

utilizing the same structure that is utilized by the Exchange's affiliates, MIAX, MIAX Pearl, and MIAX Emerald, those members which are also Members of the Exchange will be assessed Routing Fees in the same manner, which the Exchange believes will minimize any confusion as to the method of assessing Routing Fees between the four exchanges. This proposal is identical to the routing fee tables of the Exchange's affiliates, MIAX, MIAX Pearl, and MIAX Emerald.<sup>20</sup>

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. MIAX Sapphire's proposed fees, as described herein, are comparable to fees charged by its affiliates, MIAX, MIAX Pearl, and MIAX Emerald,<sup>21</sup> for the same service.

#### Definitions

The Exchange does not believe that its proposal to adopt a Definitions section to its Fee Schedule imposes any unnecessary burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed definitions are designed to improve the clarity and precision of the Exchange's Fee Schedule and are not competitive in nature.

#### Routing Fees

The Exchange does not believe that its proposal to adopt a Routing Fees imposes any unnecessary burden on intramarket competition that is not necessary or appropriate in

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<sup>20</sup> See supra note 7.

<sup>21</sup> See supra note 6.

furtherance of the purposes of the Act. The Exchange's Routing Fees reflect the costs and fees incurred by the Exchange when routing orders to away markets on behalf of Members and are applied in a uniform manner to all similarly situated Members. Additionally, the Exchange notes that at least one other options exchange employs a similar routing fee structure.<sup>22</sup>

The Exchange does not believe that the proposal will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that at least one other options exchange approximates its routing costs in a manner similar to that of the Exchange.<sup>23</sup> Additionally, the Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. Members have numerous alternative venues that they may participate on and direct their order flow to, including 16 other options exchanges. Based on publicly available information, no single options exchange has more than 16% of the market share.<sup>24</sup> Therefore, no exchange possesses significant pricing power in the execution of option order flow.

Additionally, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."<sup>25</sup> The fact that this market is

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<sup>22</sup> See supra note 10.

<sup>23</sup> See supra note 10.

<sup>24</sup> See "Market Share/MTD AVERAGE", available at <https://www.miaxglobal.com/> (data as of 7/1/2024 – 7/12/2024).

<sup>25</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).



competitive has also long been recognized by the courts. In NetCoalition v. SEC, the D.C. Circuit stated as follows: “[n]o one disputes that competition for order flow is ‘fierce.’ . . . As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchanges possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’ . . .”<sup>26</sup> Accordingly, the Exchange does not believe that its proposal imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>27</sup> and Rule 19b-4(f)(2)<sup>28</sup> 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

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<sup>26</sup> NetCoalition v. SEC, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSE-2006-21)).

<sup>27</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>28</sup> 17 CFR 240.19b-4(f)(2).

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number

SR-SAPPHIRE-2024-13 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-SAPPHIRE-2024-13. This file number should be included on the subject line if email 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 website (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or

withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-SAPPHIRE-2024-13 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>29</sup>

Sherry R. Haywood  
Assistant Secretary

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<sup>29</sup> 17 CFR 200.30-3(a)(12).

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# **MIAX Sapphire Options Exchange**

## **Fee Schedule**

**All Exchange invoices are due in full on a timely basis and payable in accordance with MIAX Sapphire Rule 208. All disputes related to fees, dues or other charges must be submitted to the Exchange in writing no later than sixty (60) days after the date of the monthly invoice and must be accompanied by supporting documentation.**

**All fees and rebates assessed prior to the three full calendar months before the month in which the Exchange becomes aware of a billing error shall be considered final.**

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# **MIAX Sapphire Fee Schedule**

## **Definitions**

For purposes of assessing fees, the following definitions should serve as guidance. Any definitions that are also defined in Exchange Rules include a cross reference to the corresponding Exchange Rule. Rebates and fees are listed per contract per leg unless otherwise noted.

“ABBO” means the best bid(s) or offer(s) disseminated by other Eligible Exchanges (defined in Exchange Rule 1400(f)) and calculated by the Exchange based on market information received by the Exchange from OPRA. See Exchange Rule 100.

“Affiliate” means an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm’s Form BD, Schedule A, or (ii) the Appointed Market Maker of an Appointed EEM (or, conversely, the Appointed EEM of an Appointed Market Maker). An “Appointed Market Maker” is a MIAX Sapphire Market Maker (who does not otherwise have a corporate affiliation based upon common ownership with an EEM) that has been appointed by an EEM and an “Appointed EEM” is an EEM (who does not otherwise have a corporate affiliation based upon common ownership with a MIAX Sapphire Market Maker) that has been appointed by a MIAX Sapphire Market Maker, pursuant to the following process. A MIAX Sapphire Market Maker appoints an EEM and an EEM appoints a MIAX Sapphire Market Maker, for the purposes of the Fee Schedule, by each completing and sending an executed Volume Aggregation Request Form by email to [membership@miaxglobal.com](mailto:membership@miaxglobal.com) no later than 2 business days prior to the first business day of the month in which the designation is to become effective. Transmittal of a validly completed and executed form to the Exchange along with the Exchange’s acknowledgement of the effective designation to each of the Market Maker and EEM will be viewed as acceptance of the appointment. The Exchange will only recognize one designation per Member. A Member may make a designation not more than once every 12 months (from the date of its most recent designation), which designation shall remain in effect unless or until the Exchange receives written notice submitted 2 business days prior to the first business day of the month from either Member indicating that the appointment has been terminated. Designations will become operative on the first business day of the effective month and may not be terminated prior to the end of the month. Execution data and reports will be provided to both parties.

“Cross-connect” occurs when the affected third-party system is sited at the same data center where MIAX Sapphire systems are sited, and the third-party connects to MIAX Sapphire through the data center, rather than connecting directly to MIAX Sapphire outside of the data center. A “Dedicated” (cross-connect) means cross-connect that provides network connectivity solely to the trading platforms, market data systems, and test systems of MIAX Sapphire. The following connection is Dedicated to MIAX Sapphire: 10 Gigabit (“Gb”) ULL.

“CTD Port” or “Clearing Trade Drop Port” provides an Exchange Member with a real-time clearing trade updates. The updates include the Member’s clearing trade messages on a low latency, real-time basis. The trade messages are routed to a Member's connection containing certain information. The information includes, among other things, the following: (i) trade date and time; (ii) symbol information; (iii) trade price/size information; (iv) Member type (for example, and without limitation, Market Maker, Electronic Exchange Member, Broker-Dealer); and (v) Exchange MPID for each side of the transaction, including Clearing Member MPID.

“Electronic Exchange Member” or “EEM” means the holder of a Trading Permit who is a Member representing as agent Public Customer Orders or Non-Customer Orders on the Exchange and those non-Market Maker Members conducting proprietary trading. Electronic Exchange Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

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“EEM Clearing Firm” means an EEM that solely clears transactions on the Exchange and does not connect to the Exchange via either the FIX Interface or MEO Interface.

“Exchange System Disruption” means an outage of a Matching Engine or collective Matching Engines for a period of two consecutive hours or more, during trading hours.

“Excluded Contracts” means any contracts routed to an away market for execution.

“Extranet Provider” means a technology provider that connects with MIAX Sapphire systems and in turn provides such connectivity to MIAX Sapphire participants that do not connect directly with MIAX Sapphire.

“FIX Interface” means the Financial Information Exchange interface for certain order types as set forth in Exchange Rule 516. See Exchange Rule 100.

“FIX Port” means a FIX port that allows Members to send orders and other messages using the FIX protocol.

“Full Service MEO Port” means an MEO port that supports all MEO input message types and binary bulk order entry.

“FXD” or “FIX Drop Copy Port” means a messaging interface that provides a copy of real-time trade execution, trade correction and trade cancellation information to FIX Drop Copy Port users who subscribe to the service. FXD Port users are those users who are designated by an EEM to receive the information and the information is restricted for use by the EEM only.

“Initial Waiver Period” means, for each applicable fee, the period of time from the initial effective date of the MIAX Sapphire Fee Schedule plus an additional six (6) full calendar months after the completion of the partial month of the Exchange launch.

“Limited Service MEO Port” means an MEO port that supports all MEO input message types, but does not support bulk order entry and only supports limited order types, as specified by the Exchange via Regulatory Circular.

“Matching Engine” is a part of the MIAX Sapphire electronic system that processes options orders and trades on a symbol-by-symbol basis. Some Matching Engines will process option classes with multiple root symbols, and other Matching Engines may be dedicated to one single option root symbol (for example, options on SPY may be processed by one single Matching Engine that is dedicated only to SPY). A particular root symbol may only be assigned to a single designated Matching Engine. A particular root symbol may not be assigned to multiple Matching Engines.

“Market Maker” means a Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter VI of Exchange Rules. See Exchange Rule 100.

“Member” means an individual or organization that is registered with the Exchange pursuant to Chapter II of Exchange Rules for purposes of trading on the Exchange as an “Electronic Exchange Member” or “Market Maker.” Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

“MENI” means the MIAX Express Network Interconnect, which is a network infrastructure which provides Members and non-Members network connectivity to the MIAX Sapphire trading platform, market data systems, test systems, and disaster recovery facilities. When utilizing a shared 1Gb cross-connect, the MENI can also be configured to offer network connectivity to the trading platforms, market data systems, test systems, and disaster recovery facilities of the Exchange’s affiliates, MIAX, MIAX Pearl Options and MIAX Emerald. When utilizing a Dedicated cross-connect, the MENI can only be configured to offer network connectivity to the trading platforms, market data systems, and test systems of MIAX Sapphire.

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“MEO Interface” or “MEO” means a binary order interface for certain order types as set forth in Rule 516 into the MIAX Sapphire System. See Exchange Rule 100.

“MIAX” means Miami International Securities Exchange, LLC. See Exchange Rule 100.

“MIAX Emerald” means MIAX Emerald, LLC. See Exchange Rule 100.

“MIAX Pearl” means MIAX PEARL, LLC. See Exchange Rule 100. MIAX Pearl Options means the options trading facility of MIAX Pearl.

“MIAX Sapphire” or the “Exchange” means MIAX Sapphire, LLC. See Exchange Rule 100.

“Priority Customer” means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). The number of orders shall be counted in accordance with Interpretation and Policy .01 of Exchange Rule 100. See Exchange Rule 100, including Interpretation and Policy .01.

“Purge Ports” provide Market Makers with the ability to send quote purge messages to the MIAX Sapphire System. Purge Ports are not capable of sending or receiving any other type of messages or information.

“Public Customer” means a person that is not a broker or dealer in securities. See Exchange Rule 100.

“Service Bureau” means a technology provider that offers and supplies technology and technology services to a trading firm that does not have its own proprietary system.

“TCV” means total consolidated volume calculated as the total national volume in those classes listed on MIAX Sapphire for the month for which the fees apply, excluding consolidated volume executed during the period time in which the Exchange experiences an Exchange System Disruption (solely in the option classes of the affected Matching Engine).

“Third Party Vendor” means a subscriber of MIAX Sapphire’s market and other data feeds, which they in turn use for redistribution purposes.

Except as otherwise provided in this Fee Schedule with regard to network connectivity, including network testing and certification, all fees set forth in this Fee Schedule are specific to and assessed exclusively for use of MIAX Sapphire and does not include access to and/or use of MIAX, MIAX Pearl Options, MIAX Emerald or any other facilities of the Exchange.

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# 1) Transaction Rebates/Fees

## a) (Reserved)

## b) Fees for Customer Orders Routed to Another Options Exchange

MIAX Sapphire will assess a Routing Fee to market participants on all orders routed to and executed on an away market as set forth in the table below.

<u>Description</u>	<u>Fees</u>
<u>Routed, Priority Customer, Penny Program, to: NYSE American, Cboe, Cboe EDGX Options, MIAX, Nasdaq PHLX (except SPY), Nasdaq MRX</u>	<u>\$0.15</u>
<u>Routed, Priority Customer, Penny Program, to: BOX</u>	<u>\$0.30</u>
<u>Routed, Priority Customer, Penny Program, to: NYSE Arca Options, Cboe BZX Options, Cboe C2, Nasdaq GEMX, Nasdaq ISE, NOM, Nasdaq PHLX (SPY only), MIAX Pearl, MIAX Emerald, Nasdaq BX Options, MEMX</u>	<u>\$0.65</u>
<u>Routed, Priority Customer, Non-Penny Program, to: NYSE American, BOX, Cboe, Cboe EDGX Options, MIAX, Nasdaq PHLX, Nasdaq MRX</u>	<u>\$0.15</u>
<u>Routed, Priority Customer, Non-Penny Program, to: NYSE Arca Options, Cboe BZX Options, Cboe C2, Nasdaq GEMX, NOM, MIAX Pearl, MIAX Emerald, Nasdaq BX Options, Nasdaq ISE, MEMX</u>	<u>\$1.00</u>
<u>Routed, Public Customer that is not a Priority Customer, Penny Program, to: NYSE American, NYSE Arca Options, Cboe BZX Options, BOX, Cboe, Cboe C2, Cboe EDGX Options, Nasdaq GEMX, Nasdaq ISE, Nasdaq MRX, MIAX, MIAX Pearl, MIAX Emerald, NOM, Nasdaq PHLX, Nasdaq BX Options, MEMX</u>	<u>\$0.65</u>
<u>Routed, Public Customer that is not a Priority Customer, Non-Penny Program, to: NYSE American, MIAX, Cboe, Nasdaq PHLX, Cboe EDGX Options, NOM</u>	<u>\$1.00</u>
<u>Routed, Public Customer that is not a Priority Customer, Non-Penny Program, to: Cboe C2, BOX</u>	<u>\$1.15</u>
<u>Routed, Public Customer that is not a Priority Customer, Non-Penny Program, to: NYSE Arca Options, Nasdaq GEMX, Nasdaq MRX, MIAX Pearl, MIAX Emerald, MEMX</u>	<u>\$1.25</u>
<u>Routed, Public Customer that is not a Priority Customer, Non-Penny Program, to: Cboe BZX Options, Nasdaq ISE, Nasdaq BX Options</u>	<u>\$1.40</u>