

DATE: August 7, 2014
TO: MIAX Members
FROM: MIAX Regulatory Department
RE: PRIME Auction Related Transaction Fees and Rebate

In SR-MIAX-2014-43, the Exchange has filed for immediate effectiveness a filing to amend the MIAX Options Fee Schedule to adopt transaction fees and rebates for Members that participate in the price improvement auction (“PRIME Auction” or “PRIME”) pursuant to Rule 515A. The Exchange proposes to implement the new PRIME Auction transaction fees and rebates beginning August 8, 2014.

The following reflects the transaction fees for participation in the PRIME Auction:

Types of Market Participants	PRIME Order		Responder to PRIME Auction	
	Per Contract Fee for Agency Order	Per Contract Fee for Contra-side Order	Per Contract Fee for Penny Classes	Per Contract Fee for Non-Penny Classes
<i>Priority Customer</i>	\$ 0.00	\$ 0.00	\$ 0.45	\$ 0.90
<i>Public Customer that is Not a Priority Customer</i>	\$ 0.30	\$ 0.05	\$ 0.45	\$ 0.90
<i>MIAX Market Maker</i>	\$ 0.30	\$ 0.05	\$ 0.45	\$ 0.90
<i>Non-MIAX Market Maker</i>	\$ 0.30	\$ 0.05	\$ 0.45	\$ 0.90
<i>Non-Member Broker-Dealer</i>	\$ 0.30	\$ 0.05	\$ 0.45	\$ 0.90
<i>Firm</i>	\$ 0.30	\$ 0.05	\$ 0.45	\$ 0.90

The following are rebates to be paid to the Initiating Member for each PRIME Order contract that trades with a PRIME AOC Response:

Types of Market Participants	PRIME Break-up	
	Per Contract Credit for Penny Classes	Per Contract Credit for Non-Penny Classes
<i>Priority Customer</i>	\$ 0.25	\$ 0.60
<i>Public Customer that is Not a Priority Customer</i>	\$ 0.25	\$ 0.60
<i>MIAX Market Maker</i>	\$ 0.25	\$ 0.60
<i>Non-MIAX Market Maker</i>	\$ 0.25	\$ 0.60
<i>Non-Member Broker-Dealer</i>	\$ 0.25	\$ 0.60
<i>Firm</i>	\$ 0.25	\$ 0.60

Priority Customer Rebate Program. The Priority Customer Rebate Program will credit each Member \$0.10 per contract credit for each Priority Customer order executed as a PRIME Agency Order. However, no rebates will be paid if the PRIME Agency Order executes against a Contra-side Order which is also a Priority Customer. In addition, orders that are executed as a Priority Customer-to-Priority Customer Order, PRIME AOC Response, and PRIME Contra-side Order will be excluded from the Priority Customer Rebate Program, and the corresponding volume calculation.

Monthly Firm Fee Cap. Transaction fees resulting from participation in a PRIME Auction as a PRIME AOC Response, or rebates from the PRIME Break-up credit, will not count towards the Monthly Firm Fee Cap. Transaction fees from Firm orders that participate in the PRIME Auction as a PRIME Agency Order or Contra-side Order will count towards the Monthly Firm Fee Cap.

Marketing Fees. PRIME Agency Order, Contra-side Order, or PRIME AOC Response executions will not result in the collection of marketing fees, unless it executes against an unrelated order.

Please direct any questions to Shelly Brown at sbrown@miaxoptions.com or at (609) 897-7317.

Regulatory inquiries should be directed to Regulatory@miaxoptions.com or (609)-897-7309.