

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 24

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

File No. * SR 2025 - * 05

Amendment No. (req. for Amendments *)

Filing by MIAX Emerald, LLC

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

<input checked="" type="checkbox"/> Initial *	<input type="checkbox"/> Amendment *	<input type="checkbox"/> Withdrawal	<input type="checkbox"/> Section 19(b)(2) *	<input checked="" type="checkbox"/> Section 19(b)(3)(A) *	<input type="checkbox"/> Section 19(b)(3)(B) *
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<input type="checkbox"/> Pilot	<input type="checkbox"/> Extension of Time Period for Commission Action *	<input type="text"/> Date Expires *
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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)

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 *).

Proposal to amend the Fee Schedule to modify the inbound quote limit for the Excessive Quoting Fee.

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 * Michael Last Name * Slade

Title * AVP, Associate Counsel

E-mail * mslade@miaxglobal.com

Telephone * (609) 955-0460 Fax

Signature

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

Date 03/03/2025

(Title *)

By Michael Slade

AVP, Associate 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.

Signature: Michael Slade Date: 2025.03.03 17:02:13 -05'00'

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-EMERALD-2025-05 - 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 *

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SR-EMERALD-2025-05 - Exhibit 1.do

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-EMERALD-2025-05 - Exhibit 5.doc

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 Emerald, LLC (“MIAX Emerald” 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 the MIAX Emerald Options Exchange Fee Schedule (the “Fee Schedule”) to modify the inbound quote limit applicable to the Excessive Quoting Fee.

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 section 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 or his designee pursuant to authority delegated by the MIAX Emerald Board of Directors on February 27, 2025. 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 changes.

Questions and comments on the proposed rule changes may be directed to Michael Slade, Assistant Vice President, Associate Counsel, (609) 955-0460.

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

a. Purpose

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

The Exchange proposes to amend Section 1)c) of the Fee Schedule to modify the inbound quote limit applicable to the daily Excessive Quoting fee. For background, the Exchange established the Excessive Quoting Fee as a result of a significant upgrade to the MIAX Emerald System³ network architecture, based on customer demand, which resulted in the Exchange's network environment becoming more transparent and deterministic.⁴

Currently, the Exchange will assess a fee of \$10,000 per day to any Market Maker⁵ that exceeds 3.5 billion inbound quotes⁶ sent to the Exchange on that particular day. However, the daily Excessive Quoting Fee will not be assessed for the first day that a Market Maker exceeds the 3.5 billion inbound quote limit in a rolling 12-month period.⁷ In counting the total number of quotes for the purposes of the Excessive Quoting Fee, the Exchange excludes messages that are generated as a result of sending a mass purge message to the Exchange (i.e., cancel/replace messages). The 3.5 billion inbound quote limit for the Excessive Quoting Fee resets each trading day.⁸ Notwithstanding the exemptions described above, the Exchange may not assess the

³ The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

⁴ See Securities Exchange Act Release No. 91406 (March 25, 2021), 86 FR 16795 (March 31, 2021) (SR-EMERALD-2021-10).

⁵ The term "Market Maker" refers to "Lead Market Maker" ("LMM"), "Primary Lead Market Maker" ("PLMM") and "Registered Market Maker" ("RMM"), collectively. See the Definitions Section of the Fee Schedule and Exchange Rule 100.

⁶ The term "quote" or "quotation" means a bid or offer entered by a Market Maker that is firm and may update the Market Maker's previous quote, if any. The Rules of the Exchange provide for the use of different types of quotes, including Standard quotes and eQuotes, as more fully described in Rule 517. A Market Maker may, at times, choose to have multiple types of quotes active in an individual option. See the Definitions Section of the Fee Schedule.

⁷ This exemption was established in 2023. See Securities Exchange Act Release No. 98088 (August 8, 2023), 88 FR 55096 (August 14, 2023) (SR-EMERALD-2023-20).

⁸ See Fee Schedule, Section 1)c).

Excessive Quoting Fee in times of extraordinary market conditions, with such determination to not assess the fee made by a designated Exchange Official.⁹

Proposal

The Exchange proposes to amend Section 1)c) of the Fee Schedule to increase the inbound quote limit applicable to the Excessive Quoting Fee. In particular, the Exchange proposes to amend the Excessive Quoting Fee to increase the inbound quote limit from 3.5 billion to 6 billion. In counting the total number of quotes for the purposes of the Excessive Quoting Fee, the Exchange will continue to exclude messages that are generated as a result of sending a mass purge message to the Exchange and the proposed 6 billion inbound quote limit will continue to reset each trading day.

The purpose of this proposal is to provide relief to Market Makers in light of current market conditions, which the Exchange believes may persist and lead to Market Makers routinely exceeding the current 3.5 billion inbound quote over more than one or two trading days. In the Exchange's filing to establish the exemption that a designated Exchange Official may determine that the Exchange will not assess the Excessive Quoting Fee during times of extraordinary market conditions, the Exchange provided that the Exchange Official in charge of making such determination would take into account several different factors and market conditions. Such conditions may include, but are not limited to, swings in major U.S. indices (i.e., the S&P 500, Dow Jones Industrial Average, or Nasdaq-100 Indices) without such indices stabilizing up or down; higher than expected or unusual trading volumes; and increased volatility in the marketplace.¹⁰ As of the time of this filing, major U.S. indices appear to have stabilized

⁹ This exemption was established in 2024. See Securities Exchange Act Release No. 100857 (August 28, 2024), 89 FR 71958 (September 9, 2024) (SR-EMERALD-2024-22).

¹⁰ Id.

downward without major swings and the Exchange has not experienced unusual trading volumes to warrant a review by the designated Exchange Official to provide an exemption for the Excessive Quoting Fee.

As noted in prior filings, the Excessive Quoting Fee was never intended to be a source of revenue for the Exchange.¹¹ Rather, the Excessive Quoting Fee was designed to ensure that Market Makers do not over utilize the Exchange's System by sending excessive numbers of quotes to the Exchange, potentially to the detriment of all other Members of the Exchange. The Exchange believes that the proposed increase to the inbound quote limit will not undermine the purpose of the Excessive Quoting Fee, but will continue to balance the interests of Market Makers sending quotes to the Exchange, pursuant to their quoting obligations and quoting strategies, while ensuring that Market Makers do not over utilize the Exchange's System by sending excessive numbers of quotes to the potential detriment of other Members¹² of the Exchange. The Exchange believes that this proposal will help allow the Exchange to maintain fair and orderly markets.

The Exchange provides the following example of how the Excessive Quoting Fee would operate in light of the proposal to increase the inbound quote limit. On Day 1, if Market Maker "Firm A" exceeds 6 billion inbound quotes, the Exchange would not assess the Excessive Quoting Fee because this is the first trading day within a rolling 12-month period in which that particular Market Maker surpassed the 6 billion inbound quote limit. On Day 2, if Firm A again

¹¹ See Securities Exchange Act Release Nos. 91406 (March 24, 2021), 86 FR 16795 (March 31, 2021) (SR-EMERALD-2021-10) and 94368 (March 7, 2022), 87 FR 14051 (March 11, 2022) (SR-EMERALD-2022-09). See supra note 9.

¹² 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 the Definitions Section of the Fee Schedule.

exceeds 6 billion inbound quotes the Exchange would assess the Excessive Quoting Fee for that day, unless the designated Exchange Official determines that extraordinary market conditions existed on Day 2, in which case the Exchange would not assess the Excessive Quoting Fee on all Market Makers¹³, including Firm A, for exceeding the inbound quote limit on that day. If such determination was made by the designated Exchange Official, Firm A would not be assessed the Excessive Quoting Fee on Day 2, but the rolling 12-month period would still be in effect for Firm A. On Day 3, if Firm A again exceeds 6 billion inbound quotes, in the absence of extraordinary market conditions declared by the designated Exchange Official, the Exchange would assess the Excessive Quoting Fee on Firm A for that particular trading day.

The Exchange assessed the Excessive Quoting Fee only one time since it was originally established in early 2021. The Exchange will continue to monitor market conditions and Market Maker quoting to ensure that the purpose of the Excessive Quoting Fee is maintained.

The proposed change is immediately effective.

b. Statutory Basis

The Exchange believes that its proposal to amend the Fee Schedule is consistent with Section 6(b) of the Act¹⁴ in general, and furthers the objectives of Section 6(b)(4) of the Act¹⁵ in particular, in that it is an equitable allocation of reasonable dues, fees, and other charges among its Members and issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers. The Exchange also believes the proposal

¹³ For Market Makers that did not yet exceed the 3.5 billion inbound quote limit, Day 2 would also not count towards the exemption in the rule that allows Market Makers to exceed the limit one time on a rolling 12-month basis. See Fee Schedule, Section 1)c).

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(4).

further the objectives of Section 6(b)(5) of the Act¹⁶ in that it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general protects investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

The Exchange believes that its proposal is reasonable, equitably allocated and not unfairly discriminatory because it is not intended to raise revenue for the Exchange; rather, it is intended to ensure that Market Makers are using their quoting methodologies in the most efficient manner possible in light of the Exchange's highly deterministic and transparent infrastructure and in light of recent market conditions, resulting in more quotes being sent to the Exchange. As noted above, major U.S. indices appear to have stabilized downward without major swings and the Exchange has not experienced unusual trading volumes to warrant a review by the designated Exchange Official to provide an exemption for the Excessive Quoting Fee. The Exchange believes that the proposed increased quote limit is reasonable, equitably allocated and not unfairly discriminatory because the higher limit will continue to allow the Exchange to maintain fair and orderly markets, while ensuring Market Makers do not over utilize the Exchange's System by sending excessive numbers of quotes to the Exchange, potentially to the detriment of all other Members of the Exchange. The Exchange believes that the proposed increase to the inbound quote limit is reasonable because it will not undermine the purpose of the Excessive Quoting Fee, but will continue to balance the interests of Market Makers sending quotes to the Exchange, pursuant to their quoting obligations and quoting strategies, while ensuring that Market Makers do not over utilize the Exchange's System.

¹⁶ 15 U.S.C. 78f(b)(5).

The Exchange believes the proposal is equitably allocated because the higher inbound quote limit would apply to all Market Makers that send quotes to the Exchange. The Exchange believes that the proposal is not unfairly discriminatory because it neither targets nor will it have a disparate impact on any particular type of Market Maker. The Exchange believes that the proposed change will continue to encourage Market Makers to quote on the Exchange during times of changing market conditions, which will help maintain fair and orderly markets to the benefit of all Exchange market participants.

The Exchange believes that its proposal is designed to promote just and equitable principles of trade, 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 because it will continue to encourage efficient utilization of the Exchange's highly deterministic and transparent network architecture. The Exchange also believes the proposal will balance the interests of Market Makers sending quotes to the Exchange in light of changing market conditions, such as a drop in major U.S. indices. The Exchange believes that unfettered usage of System capacity and network resource consumption can have a detrimental effect on all market participants who are potentially compelled to send quote messages to the Exchange on an unlimited basis, to the detriment of all other market participants who access and use the Exchange.

The Exchange will continue to review the quoting behavior of all firms in connection with changing market conditions and technology or algorithm changes on a regular basis to ensure that the proposed exemption is providing relief for Market Makers as intended.

4. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition

The Exchange believes that the proposal does not put any market participants at a relative disadvantage compared to other market participants because the proposed increased quote limit will apply equally to all Market Makers who send quotes to the Exchange in excess of 6 billion on any particular trading day. The Exchange also believes that the proposed change neither favors nor penalizes one or more categories of market participants in a manner that would impose an undue burden on competition. Rather, the proposal seeks to benefit all market participants by encouraging the efficient utilization of the Exchange's highly deterministic and transparent network architecture while taking into account changing market conditions, which may impact the number of quotes being sent to the Exchange by Market Makers. The Exchange does not anticipate that any Market Maker will exceed the proposed 6 billion inbound quote limit and become subject to the proposed fee. Accordingly, the Exchange believes that the proposed change to the Excessive Quoting Fee does not favor certain categories of market participants in a manner that would impose a burden on competition.

Intermarket Competition

The Exchange operates in a highly competitive market in which market participants can readily favor one of the 17 other equity options exchanges if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow to the Exchange. Based on publicly-available information, and excluding index-based options, no single exchange has more

than approximately 12-13% of the equity options market share.¹⁷ Therefore, currently no exchange possesses significant pricing power in the execution of equity options order flow. More specifically, for the month of February 2025, the Exchange had a market share of 4.16% of executed volume of equity options trades.¹⁸

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)(ii) of the Act,¹⁹ and Rule 19b-4(f)(2) thereunder²⁰ 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

The proposed rule change is not based on the rules of another exchange or of the Commission.

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

¹⁷ See the Market Share section of the Exchanges website, available at <https://www.miaxglobal.com/> (last visited March 3, 2025).

¹⁸ See *id.*

¹⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁰ 17 CFR 240.19b-4.

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 Fee Schedule.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-EMERALD-2025-05)

March____, 2025

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX Emerald, LLC to Amend the Fee Schedule to Modify the Excessive Quoting Fee

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 March____, 2025, MIAX Emerald, LLC (“MIAX Emerald” 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 proposes to amend its Fee Schedule (the “Fee Schedule”) to modify the inbound quote limit applicable to the Excessive Quoting Fee.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend Section 1)c) of the Fee Schedule to modify the inbound quote limit applicable to the daily Excessive Quoting fee. For background, the Exchange established the Excessive Quoting Fee as a result of a significant upgrade to the MIAX Emerald System³ network architecture, based on customer demand, which resulted in the Exchange's network environment becoming more transparent and deterministic.⁴

Currently, the Exchange will assess a fee of \$10,000 per day to any Market Maker⁵ that exceeds 3.5 billion inbound quotes⁶ sent to the Exchange on that particular day. However, the daily Excessive Quoting Fee will not be assessed for the first day that a Market Maker exceeds the 3.5 billion inbound quote limit in a rolling 12-month period.⁷ In counting the total number of quotes for the purposes of the Excessive Quoting Fee, the Exchange excludes messages that are generated as a result of sending a mass purge message to the Exchange (i.e., cancel/replace messages). The 3.5 billion inbound quote limit for the Excessive Quoting Fee resets each trading

³ The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

⁴ See Securities Exchange Act Release No. 91406 (March 25, 2021), 86 FR 16795 (March 31, 2021) (SR-EMERALD-2021-10).

⁵ The term "Market Maker" refers to "Lead Market Maker" ("LMM"), "Primary Lead Market Maker" ("PLMM") and "Registered Market Maker" ("RMM"), collectively. See the Definitions Section of the Fee Schedule and Exchange Rule 100.

⁶ The term "quote" or "quotation" means a bid or offer entered by a Market Maker that is firm and may update the Market Maker's previous quote, if any. The Rules of the Exchange provide for the use of different types of quotes, including Standard quotes and eQuotes, as more fully described in Rule 517. A Market Maker may, at times, choose to have multiple types of quotes active in an individual option. See the Definitions Section of the Fee Schedule.

⁷ This exemption was established in 2023. See Securities Exchange Act Release No. 98088 (August 8, 2023), 88 FR 55096 (August 14, 2023) (SR-EMERALD-2023-20).

day.⁸ Notwithstanding the exemptions described above, the Exchange may not assess the Excessive Quoting Fee in times of extraordinary market conditions, with such determination to not assess the fee made by a designated Exchange Official.⁹

Proposal

The Exchange proposes to amend Section 1)c) of the Fee Schedule to increase the inbound quote limit applicable to the Excessive Quoting Fee. In particular, the Exchange proposes to amend the Excessive Quoting Fee to increase the inbound quote limit from 3.5 billion to 6 billion. In counting the total number of quotes for the purposes of the Excessive Quoting Fee, the Exchange will continue to exclude messages that are generated as a result of sending a mass purge message to the Exchange and the proposed 6 billion inbound quote limit will continue to reset each trading day.

The purpose of this proposal is to provide relief to Market Makers in light of current market conditions, which the Exchange believes may persist and lead to Market Makers routinely exceeding the current 3.5 billion inbound quote over more than one or two trading days. In the Exchange's filing to establish the exemption that a designated Exchange Official may determine that the Exchange will not assess the Excessive Quoting Fee during times of extraordinary market conditions, the Exchange provided that the Exchange Official in charge of making such determination would take into account several different factors and market conditions. Such conditions may include, but are not limited to, swings in major U.S. indices (i.e., the S&P 500, Dow Jones Industrial Average, or Nasdaq-100 Indices) without such indices stabilizing up or down; higher than expected or unusual trading volumes; and increased volatility

⁸ See Fee Schedule, Section 1)c).

⁹ This exemption was established in 2024. See Securities Exchange Act Release No. 100857 (August 28, 2024), 89 FR 71958 (September 9, 2024) (SR-EMERALD-2024-22).

in the marketplace.¹⁰ As of the time of this filing, major U.S. indices appear to have stabilized downward without major swings and the Exchange has not experienced unusual trading volumes to warrant a review by the designated Exchange Official to provide an exemption for the Excessive Quoting Fee.

As noted in prior filings, the Excessive Quoting Fee was never intended to be a source of revenue for the Exchange.¹¹ Rather, the Excessive Quoting Fee was designed to ensure that Market Makers do not over utilize the Exchange's System by sending excessive numbers of quotes to the Exchange, potentially to the detriment of all other Members of the Exchange. The Exchange believes that the proposed increase to the inbound quote limit will not undermine the purpose of the Excessive Quoting Fee, but will continue to balance the interests of Market Makers sending quotes to the Exchange, pursuant to their quoting obligations and quoting strategies, while ensuring that Market Makers do not over utilize the Exchange's System by sending excessive numbers of quotes to the potential detriment of other Members¹² of the Exchange. The Exchange believes that this proposal will help allow the Exchange to maintain fair and orderly markets.

The Exchange provides the following example of how the Excessive Quoting Fee would operate in light of the proposal to increase the inbound quote limit. On Day 1, if Marker Maker "Firm A" exceeds 6 billion inbound quotes, the Exchange would not assess the Excessive Quoting Fee because this is the first trading day within a rolling 12-month period in which that

¹⁰ Id.

¹¹ See Securities Exchange Act Release Nos. 91406 (March 24, 2021), 86 FR 16795 (March 31, 2021) (SR-EMERALD-2021-10) and 94368 (March 7, 2022), 87 FR 14051 (March 11, 2022) (SR-EMERALD-2022-09). See supra note 9.

¹² 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 the Definitions Section of the Fee Schedule.

particular Market Maker surpassed the 6 billion inbound quote limit. On Day 2, if Firm A again exceeds 6 billion inbound quotes the Exchange would assess the Excessive Quoting Fee for that day, unless the designated Exchange Official determines that extraordinary market conditions existed on Day 2, in which case the Exchange would not assess the Excessive Quoting Fee on all Market Makers¹³, including Firm A, for exceeding the inbound quote limit on that day. If such determination was made by the designated Exchange Official, Firm A would not be assessed the Excessive Quoting Fee on Day 2, but the rolling 12-month period would still be in effect for Firm A. On Day 3, if Firm A again exceeds 6 billion inbound quotes, in the absence of extraordinary market conditions declared by the designated Exchange Official, the Exchange would assess the Excessive Quoting Fee on Firm A for that particular trading day.

The Exchange assessed the Excessive Quoting Fee only one time since it was originally established in early 2021. The Exchange will continue to monitor market conditions and Market Maker quoting to ensure that the purpose of the Excessive Quoting Fee is maintained.

The proposed change is immediately effective.

2. Statutory Basis

The Exchange believes that its proposal to amend the Fee Schedule is consistent with Section 6(b) of the Act¹⁴ in general, and furthers the objectives of Section 6(b)(4) of the Act¹⁵ in particular, in that it is an equitable allocation of reasonable dues, fees, and other charges among its Members and issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers. The Exchange also believes the proposal

¹³ For Market Makers that did not yet exceed the 3.5 billion inbound quote limit, Day 2 would also not count towards the exemption in the rule that allows Market Makers to exceed the limit one time on a rolling 12-month basis. See Fee Schedule, Section 1)c).

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(4).

further the objectives of Section 6(b)(5) of the Act¹⁶ in that it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general protects investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

The Exchange believes that its proposal is reasonable, equitably allocated and not unfairly discriminatory because it is not intended to raise revenue for the Exchange; rather, it is intended to ensure that Market Makers are using their quoting methodologies in the most efficient manner possible in light of the Exchange's highly deterministic and transparent infrastructure and in light of recent market conditions, resulting in more quotes being sent to the Exchange. As noted above, major U.S. indices appear to have stabilized downward without major swings and the Exchange has not experienced unusual trading volumes to warrant a review by the designated Exchange Official to provide an exemption for the Excessive Quoting Fee. The Exchange believes that the proposed increased quote limit is reasonable, equitably allocated and not unfairly discriminatory because the higher limit will continue to allow the Exchange to maintain fair and orderly markets, while ensuring Market Makers do not over utilize the Exchange's System by sending excessive numbers of quotes to the Exchange, potentially to the detriment of all other Members of the Exchange. The Exchange believes that the proposed increase to the inbound quote limit is reasonable because it will not undermine the purpose of the Excessive Quoting Fee, but will continue to balance the interests of Market Makers sending quotes to the Exchange, pursuant to their quoting obligations and quoting strategies, while ensuring that Market Makers do not over utilize the Exchange's System.

¹⁶ 15 U.S.C. 78f(b)(5).

The Exchange believes the proposal is equitably allocated because the higher inbound quote limit would apply to all Market Makers that send quotes to the Exchange. The Exchange believes that the proposal is not unfairly discriminatory because it neither targets nor will it have a disparate impact on any particular type of Market Maker. The Exchange believes that the proposed change will continue to encourage Market Makers to quote on the Exchange during times of changing market conditions, which will help maintain fair and orderly markets to the benefit of all Exchange market participants.

The Exchange believes that its proposal is designed to promote just and equitable principles of trade, 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 because it will continue to encourage efficient utilization of the Exchange's highly deterministic and transparent network architecture. The Exchange also believes the proposal will balance the interests of Market Makers sending quotes to the Exchange in light of changing market conditions, such as a drop in major U.S. indices. The Exchange believes that unfettered usage of System capacity and network resource consumption can have a detrimental effect on all market participants who are potentially compelled to send quote messages to the Exchange on an unlimited basis, to the detriment of all other market participants who access and use the Exchange.

The Exchange will continue to review the quoting behavior of all firms in connection with changing market conditions and technology or algorithm changes on a regular basis to ensure that the proposed exemption is providing relief for Market Makers as intended.

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

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the

proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition

The Exchange believes that the proposal does not put any market participants at a relative disadvantage compared to other market participants because the proposed increased quote limit will apply equally to all Market Makers who send quotes to the Exchange in excess of 6 billion on any particular trading day. The Exchange also believes that the proposed change neither favors nor penalizes one or more categories of market participants in a manner that would impose an undue burden on competition. Rather, the proposal seeks to benefit all market participants by encouraging the efficient utilization of the Exchange's highly deterministic and transparent network architecture while taking into account changing market conditions, which may impact the number of quotes being sent to the Exchange by Market Makers. The Exchange does not anticipate that any Market Maker will exceed the proposed 6 billion inbound quote limit and become subject to the proposed fee. Accordingly, the Exchange believes that the proposed change to the Excessive Quoting Fee does not favor certain categories of market participants in a manner that would impose a burden on competition.

Intermarket Competition

The Exchange operates in a highly competitive market in which market participants can readily favor one of the 17 other equity options exchanges if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow to the Exchange. Based on publicly-available information, and excluding index-based options, no single exchange has more

than approximately 12-13% of the equity options market share.¹⁷ Therefore, currently no exchange possesses significant pricing power in the execution of equity options order flow. More specifically, for the month of February 2025, the Exchange had a market share of 4.16% of executed volume of equity options trades.¹⁸

C. 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.

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,¹⁹ and Rule 19b-4(f)(2)²⁰ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form

¹⁷ See the Market Share section of the Exchanges website, available at <https://www.miaxglobal.com/> (last visited March 3, 2025).

¹⁸ See *id.*

¹⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁰ 17 CFR 240.19b-4(f)(2).

(<https://www.sec.gov/rules/sro.shtml>); or

- Send an email to rule-comments@sec.gov. Please include file number SR-EMERALD-2025-05 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-EMERALD-2025-05. 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-EMERALD-2025-05 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.²¹

Sherry R. Haywood,

Assistant Secretary.

²¹ 17 CFR 200.30-3(a)(12).

Exhibit 5

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

MIAX Emerald Options Exchange Fee Schedule

* * * * *

1) Transaction Fees**c) Excessive Quoting Fee**

MIAX Emerald will assess an Excessive Quoting Fee of \$10,000 per day, subject to the exemptions described below, to any Market Maker that exceeds [3.5]6 billion inbound quotes sent to the Exchange on that particular day. The daily Excessive Quoting Fee will not be assessed for the first day that a Market Maker exceeds the [3.5]6 billion inbound quote limit in a rolling 12-month period. In counting the total number of quotes for the purposes of the Excessive Quoting Fee, the Exchange will exclude messages that are generated as a result of sending a mass purge message to the Exchange. The Excessive Quoting Fee limit of [3.5]6 billion inbound quotes will reset each trading day. Notwithstanding the exemptions described above, the Exchange may determine not to assess the Excessive Quoting Fee in times of extraordinary market conditions, with such determination to be made by a designated Exchange Official.

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