

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 25		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2013 - * 32 Amendment No. (req. for Amendments *)	
Filing by Miami International Securities Exchange, LLC. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * <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"/>	
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 type="checkbox"/> 19b-4(f)(2)		<input type="checkbox"/> 19b-4(f)(5)	
		<input type="checkbox"/> 19b-4(f)(3)		<input checked="" type="checkbox"/> 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934		
Section 806(e)(1) <input type="checkbox"/>		Section 806(e)(2) <input type="checkbox"/>		Section 3C(b)(2) <input type="checkbox"/>	
Exhibit 2 Sent As Paper Document <input type="checkbox"/>		Exhibit 3 Sent As Paper Document <input type="checkbox"/>			
Description					
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).					
<input type="text" value="Amend Exchange Rule 700"/>					
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 * <input type="text" value="Richard"/>		Last Name * <input type="text" value="Rudolph"/>			
Title * <input type="text" value="Senior Counsel"/>					
E-mail * <input type="text" value="rrudolph@miami-holdings.com"/>					
Telephone * <input type="text" value="(609) 897-1487"/>		Fax <input type="text"/>			
Signature					
Pursuant to the requirements of the Securities Exchange Act of 1934,					
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.					
(Title *)					
Date <input type="text" value="07/03/2013"/>		<input type="text" value="Vice President and Senior Counsel"/>			
By <input type="text" value="Brian O'Neill"/>					
(Name *)					
NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.					
<input type="button" value="Persona Not Validated - 1369332978188"/>					

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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

Exhibit 1 - Notice of Proposed Rule Change *

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

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

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

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

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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

Partial Amendment

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

1. Text of Proposed Rule Change

(a) Miami International Securities Exchange, LLC (“MIAX” or “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² proposes to amend Exchange Rule 700, Exercise of Option Contracts, to describe accurately the deadlines for submission of notice to the Exchange of a Member’s decision to exercise or not to exercise an existing option, and for the submission of Contrary Exercise Advices (defined below) by Members to the Exchange. The Exchange also proposes to establish such deadlines for options that expire after February 1, 2015.

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

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Chief Executive Officer of the Exchange pursuant to authority delegated by the MIAX Board of Directors of the Exchange on December 5, 2012. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the proposed rule change.

Questions and comments on the proposed rule change may be directed to Richard S. Rudolph, Senior Counsel, at (609) 897-1487 or Brian O’Neill, Vice President and Senior Counsel, at (609) 897-1434.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

MIAX proposes to amend Exchange Rule 700, to establish new dates and times by which Members must make a final decision to exercise or not exercise an expiring option.

Background

The Options Clearing Corporation (“OCC”) recently determined to change the expiration date for most option contracts to the third Friday of the expiration month instead of the Saturday following the third Friday.³ Most option contracts (“Standard Expiration Contracts”) currently expire at the “expiration time” (11:59 pm Eastern Time) on the Saturday following the third Friday of the specified expiration month (“expiration date”). The expiration time will continue to be 11:59 pm Eastern Time on the expiration date. The OCC rule change would apply only to Standard Expiration Contracts expiring after February 1, 2015. The OCC rule change will not affect the expiration date for any outstanding option contract. The OCC rule change will apply only to series of option contracts opened for trading having expiration dates later than February 1, 2015.

After February 1, 2015, virtually all Standard Expiration Contracts will expire on Friday. The only Standard Expiration Contracts that will expire on a Saturday after February 1, 2015 will be certain options that were listed prior to the effectiveness of the OCC rule change, and a limited number of options that may be listed prior to necessary systems changes of the options

³ See Securities Exchange Act Release Nos. 69480 (April 30, 2013), 78 FR 26413 (May 6, 2013) (SR-OCC-2013-04); 69772 (June 17, 2013), 78 FR 37645 (June 21, 2013) (SR-OCC-2013-04) (Order Approving Proposed Rule Change to Change the Expiration Date For Most Option Contracts to the Third Friday of the Expiration Month Instead of the Saturday Following the Third Friday).

exchanges, which are expected to be completed in August 2013. The exchanges have agreed that once these systems changes are made they will not open for trading any new series of option contracts with Saturday expiration dates falling after February 1, 2015.⁴ After the transition period and the expiration of all existing Saturday-expiring options, expiration processing should be a single operational process and should run on Friday night for all Standard Expiration Contracts.

In order to start the transition to Friday night expiration processing, the OCC will, beginning June 21, 2013, move the expiration exercise procedures to Friday for all Standard Expiration Contracts even though the contracts will continue to expire on Saturday. As part of this change, the window for submission of exercise-by-exception instructions will be moved from 6:00 a.m. to 9 a.m. Central Time on Saturday morning to 6:00 p.m. to 9:15 p.m. Central Time on Friday evening starting June 21, 2013.⁵ The current exercise-by-exception window for weekly and quarterly expiration options from 6:00 p.m. to 7:00 p.m. Central Time on the expiration date will remain the same.

The Proposal

The Exchange proposes to amend Rule 700(c) by stating that, respecting options that expire after February 1, 2015, option holders have until 5:30 p.m. Eastern Time on the expiration date to make a final decision to exercise or not exercise an expiring option. The purpose of the change is to account for the OCC change described above for all Standard Expiration Contracts that after February 1, 2015 will have a Friday expiration and that option holders must submit

⁴ Id.

⁵ See id. at 26414.

exercise instructions to Members (whether for customer or non-customer accounts) before 5:30 p.m. Eastern Time on the expiration date instead of the current requirement of the business day immediately prior to the expiration date. The Exchange believes that this should assist Members processing exercise instructions in the same manner as today despite the new Friday expiration. This should result in a smooth transition without any confusion to Members and their customer and non-customer accounts.

The Exchange also proposes to amend Rule 700(c) to provide that Members may set earlier cutoff times for customers submitting exercise notices, and that Clearing Members are permitted to submit exercise instructions after the cutoff time only in case of errors or other unusual situations, and may be subject to fines or disciplinary actions.⁶ The Exchange believes that this provision enables Members to receive timely notification to exercise or not to exercise an option, and provides Clearing Members with additional time to correct errors or other issues that arise from unusual situations. However, Clearing Members may be subject to fines or disciplinary actions by MIAX in these instances.⁷

The Exchange proposes to amend Rules 700(d)(ii) and (iii), Deadline for CEA Submission for Customer Accounts and Non-Customer Accounts. Currently, Rules 700(d)(ii) and (iii) simply state that Members have until 7:30 Eastern Time to submit a Contrary Exercise Advice to the Exchange. The Exchange proposes to clarify in the Rules that Members have until

⁶ See Securities Exchange Act Release Nos. 69480 (April 30, 2013), 78 FR 26413 (May 6, 2013) (SR-OCC-2013-04).

⁷ See MIAX Rule 1014(d)(9), Exercise of Option Contracts (Rule 700), which states that a Member who fails to submit to the Exchange in a timely manner pursuant to Rule 700 or a Regulatory Circular issued pursuant to Rule 700, "Advice Cancel," or exercise instruction relating to the exercise or non-exercise of a non-cash settled equity option shall be subject to a fine schedule set forth in the rule.

7:30 p.m. Eastern Time on the business day immediately prior to the expiration date or, in the case of Short Term Option Series and Quarterly Options Series, on the expiration date, to submit a Contrary Exercise Advice (“CEA”)⁸ to the Exchange. The Exchange believes that this clarifying language will safeguard the CEA process and enable the Exchange to submit CEA or Advice Cancel⁹ instructions to OCC in a timely fashion on Friday, the date on which OCC will be processing expiring options. The Exchange believes that this more clearly and accurately describes the deadline date and time. This amendment should provide a smooth transition to the Friday expiration, and to the processing of CEAs and Cancel Advices when the OCC begins to conduct expiration exercise procedures Friday for all Standard Expiration Contracts on June 21, 2013, even though the contracts would continue to expire on Saturday. The Exchange believes this benefits the investing public because Members will be required to submit these notifications in a timely fashion for Friday processing, removing their exposure to the risk of late notification and the concomitant exercise or non-exercise of their option contracts.

The Exchange proposes to amend MIAX Rule 700(c) by codifying the current practice under which holders of Short Term Option Series (“STOS”) have until 5:30 p.m. on the expiration date to make a final decision to exercise or not exercise an expiring option, which is also the current practice respecting Quarterly Options. Currently, Exchange Rule 700(c) states

⁸ A Contrary Exercise Advice is a communication either: (1) to not exercise an option that would be automatically exercised under the OCC’s Exercise-by-Exception (“Ex-by-Ex”) procedure (i.e., unless contrary instructions are given, option contracts that are in-the-money by specified amounts shall be automatically exercised); or (2) to exercise an option that would not be automatically exercised under the OCC’s Ex-by-Ex procedure. See MIAX Rule 700(d).

⁹ A Contrary Exercise Advice may be canceled by filing an “Advice Cancel” with the Exchange. See MIAX Rule 700(d)(i).

that option holders have until 5:30 p.m. Eastern Time on the business day immediately prior to the expiration date or, in the case of Quarterly Options Series, on the expiration date, to make a final decision to exercise or not exercise an expiring option. Just as with Quarterly Options Series, STOS currently may be exercised on the expiration date.¹⁰ The Exchange proposes to clarify this current practice in the Rule by stating that the expiration date exercise cutoff time applies to holders of STOS as well.¹¹ This change will bring the Exchange's Rules in line with the current OCC expiration schedule for STOS. Members may not accept exercise instructions for customer or non-customer accounts after 5:30 p.m. Eastern Time.

Finally, the Exchange proposes a clarifying change to Rule 700(h). Rule 700(h) currently provides that Members have until 7:30 Eastern Time to deliver a CEA or Advice Cancel to the Exchange for customer accounts and non-customer accounts. The Exchange proposes to amend this provision to clarify that Members have until 7:30 p.m. Eastern Time to deliver a CEA or Advice Cancel to the Exchange for customer accounts and non-customer accounts. This more precise description of the time deadline should assist the Exchange in its timely submission of such notification to OCC and eliminate any potential confusion, thus protecting investors submitting exercise instructions to Members when the time for closing the trading session is modified on the last business day before expiration will occur.

¹⁰ STOS (or "Weekly") options expire on the Friday of the listing week. No weekly options are issued during the week of standard expiration (the third Friday of the month). When expiration Friday falls on a holiday, the weekly option will expire on the preceding Thursday. See, e.g., Securities Exchange Act Release No. 69658 (May 29, 2013), 78 FR 33454 (June 4, 2013) (SR-MIAX-2013-23).

¹¹ MIAX Rule 700 is nearly identical to ISE Rule 1100. ISE Rule 1100(c) did not account for the ability to exercise STOS on the expiration date.

b. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b)¹² of the Act in general, and furthers the objectives of Section 6(b)(5)¹³ of the Act in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest, and it is not designed to permit unfair discrimination among customers, brokers, or dealers.

By changing the Exchange's Rules to account for the new expiration date for most Standard Expiration Contracts (the third Friday of the expiration month), and for the OCC moving the expiration exercise procedures to Friday for all Standard Expiration Contracts for post-February 1, 2015 expirations, the proposed rule change should help to promote the prompt and accurate clearance and settlement of securities transactions, and foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions.

The proposed changes to account for the exercise of STOS on the expiration date remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest by amending the Rules to be consistent with the current OCC expiration schedule. This change clarifies that investors must notify Members of their intention to exercise or not to exercise STOS, and that Members must

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

submit CEAs and Advice Cancels, on the expiration date, thus further perfecting the mechanisms of a free and open market.

The proposed clarifying changes to provide more precise deadline times for the submission of exercise notifications and CEA Submissions should assist the Exchange in its timely submission of such notification to OCC and eliminate any potential confusion, thus protecting investors submitting exercise instructions to Members.

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

MIAX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is intended to help MIAX Members transition into the new Friday expiration date for Standard Expiration Contracts, and to foster cooperation with persons engaged in the clearance and settlement of securities transactions. This should enable the Exchange to continue to compete on an even playing field with other U.S. options exchanges.

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

The Exchange does not consent to an extension of the time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A) of the Act¹⁴ and Rule 19b-4(f)(6)¹⁵ thereunder, MIAX

¹⁴ 15 U.S.C. 78s(b)(3)(A).

has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has complied with this requirement. Furthermore, a proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act normally does not become operative for 30 days after the date of its filing.

The proposed changes promote the protection of investors and the public interest by more closely aligning Exchange Rules to correspond with the recently approved changes by OCC. The Exchange notes that the instant proposed rule change is based on, and is patterned after, the OCC filing to change the expiration date for most option contracts to the third Friday of the expiration month instead of the Saturday following the third Friday (the “OCC filing”).¹⁶ That filing was noticed for public comment and subsequently subject to an Approval Order after Commission review. Because the instant proposed rule change is consistent with the Commission’s approval of the OCC filing, the Exchange believes that the instant proposed rule change is appropriately filed for immediate effectiveness as a “non-controversial” filing. Additionally, the proposed changes to Rule 700(c) are intended to clarify that STOS currently

¹⁵ 17 CFR 240.19b-4(f)(6).

¹⁶ See supra note 3.

expire on the expiration date. This clarifying amendment is intended to bring the Exchange's rules in line with current practices, raises no new issues, and thus is appropriately filed for immediate effectiveness. The proposed changes do not impose a burden on competition because they are designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions, all to the benefit of the marketplace as a whole. Therefore, the Exchange believes that the proposed rule change is non-controversial and is appropriately filed for immediate effectiveness.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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

The proposed rule change is not based on the rules of another exchange but is in response to recent approval of changes by the OCC.¹⁷

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.

¹⁷ See Securities Exchange Act Release Nos. 69480 (April 30, 2013), 78 FR 26413 (May 6, 2013) (SR-OCC-2013-04); 69772 (June 17, 2013), 78 FR 37645 (June 21, 2013) (SR-OCC-2013-04) (Order Approving Proposed Rule Change to Change the Expiration Date For Most Option Contracts to the Third Friday of the Expiration Month Instead of the Saturday Following the Third Friday).

11. Exhibits

1. Completed notice of proposed rule change for publication in the Federal Register.
5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-MIAX-2013-32

July __, 2013

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange LLC to Amend Exchange Rule 700 Regarding Friday Expiration Changes

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 July 3, 2013, Miami International Securities Exchange LLC (“MIAX” 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 amend Exchange Rule 700, Exercise of Option Contracts, to describe accurately the deadlines for submission of notice to the Exchange of a Member’s decision to exercise or not to exercise an existing option, and for the submission of Contrary Exercise Advices (defined below) by Members to the Exchange. The Exchange also proposes to establish such deadlines for options that expire after February 1, 2015.

The text of the proposed rule change is available on the Exchange’s website at http://www.miaxoptions.com/filter/wotitle/rule_filing, at MIAX’s principal office, and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

MIAX proposes to amend Exchange Rule 700, to establish new dates and times by which Members must make a final decision to exercise or not exercise an expiring option.

Background

The Options Clearing Corporation (“OCC”) recently determined to change the expiration date for most option contracts to the third Friday of the expiration month instead of the Saturday following the third Friday.³ Most option contracts (“Standard Expiration Contracts”) currently expire at the “expiration time” (11:59 pm Eastern Time) on the Saturday following the third Friday of the specified expiration month (“expiration date”). The expiration time will continue to be 11:59 pm Eastern Time on the expiration date. The OCC rule change would apply only to Standard Expiration Contracts expiring after February 1, 2015. The OCC rule change will not affect the expiration date for any outstanding option contract. The OCC rule change will apply

³ See Securities Exchange Act Release Nos. 69480 (April 30, 2013), 78 FR 26413 (May 6, 2013) (SR-OCC-2013-04); 69772 (June 17, 2013), 78 FR 37645 (June 21, 2013) (SR-OCC-2013-04) (Order Approving Proposed Rule Change to Change the Expiration Date For Most Option Contracts to the Third Friday of the Expiration Month Instead of the Saturday Following the Third Friday).

only to series of option contracts opened for trading having expiration dates later than February 1, 2015.

After February 1, 2015, virtually all Standard Expiration Contracts will expire on Friday. The only Standard Expiration Contracts that will expire on a Saturday after February 1, 2015 will be certain options that were listed prior to the effectiveness of the OCC rule change, and a limited number of options that may be listed prior to necessary systems changes of the options exchanges, which are expected to be completed in August 2013. The exchanges have agreed that once these systems changes are made they will not open for trading any new series of option contracts with Saturday expiration dates falling after February 1, 2015.⁴ After the transition period and the expiration of all existing Saturday-expiring options, expiration processing should be a single operational process and should run on Friday night for all Standard Expiration Contracts.

In order to start the transition to Friday night expiration processing, the OCC will, beginning June 21, 2013, move the expiration exercise procedures to Friday for all Standard Expiration Contracts even though the contracts will continue to expire on Saturday. As part of this change, the window for submission of exercise-by-exception instructions will be moved from 6:00 a.m. to 9 a.m. Central Time on Saturday morning to 6:00 p.m. to 9:15 p.m. Central Time on Friday evening starting June 21, 2013.⁵ The current exercise-by-exception window for weekly and quarterly expiration options from 6:00 p.m. to 7:00 p.m. Central Time on the expiration date will remain the same.

The Proposal

The Exchange proposes to amend Rule 700(c) by stating that, respecting options that

⁴ Id.

⁵ See id. at 26414.

expire after February 1, 2015, option holders have until 5:30 p.m. Eastern Time on the expiration date to make a final decision to exercise or not exercise an expiring option. The purpose of the change is to account for the OCC change described above for all Standard Expiration Contracts that after February 1, 2015 will have a Friday expiration and that option holders must submit exercise instructions to Members (whether for customer or non-customer accounts) before 5:30 p.m. Eastern Time on the expiration date instead of the current requirement of the business day immediately prior to the expiration date. The Exchange believes that this should assist Members processing exercise instructions in the same manner as today despite the new Friday expiration. This should result in a smooth transition without any confusion to Members and their customer and non-customer accounts.

The Exchange also proposes to amend Rule 700(c) to provide that Members may set earlier cutoff times for customers submitting exercise notices, and that Clearing Members are permitted to submit exercise instructions after the cutoff time only in case of errors or other unusual situations, and may be subject to fines or disciplinary actions.⁶ The Exchange believes that this provision enables Members to receive timely notification to exercise or not to exercise an option, and provides Clearing Members with additional time to correct errors or other issues that arise from unusual situations. However, Clearing Members may be subject to fines or disciplinary actions by MIAX in these instances.⁷

The Exchange proposes to amend Rules 700(d)(ii) and (iii), Deadline for CEA Submission for Customer Accounts and Non-Customer Accounts. Currently, Rules 700(d)(ii)

⁶ See Securities Exchange Act Release Nos. 69480 (April 30, 2013), 78 FR 26413 (May 6, 2013) (SR-OCC-2013-04).

⁷ See MIAX Rule 1014(d)(9), Exercise of Option Contracts (Rule 700), which states that a Member who fails to submit to the Exchange in a timely manner pursuant to Rule 700 or a Regulatory Circular issued pursuant to Rule 700, "Advice Cancel," or exercise instruction relating to the exercise or non-exercise of a non-cash settled equity option shall be subject to a fine schedule set forth in the rule.

and (iii) simply state that Members have until 7:30 Eastern Time to submit a Contrary Exercise Advice to the Exchange. The Exchange proposes to clarify in the Rules that Members have until 7:30 p.m. Eastern Time on the business day immediately prior to the expiration date or, in the case of Short Term Option Series and Quarterly Options Series, on the expiration date, to submit a Contrary Exercise Advice (“CEA”)⁸ to the Exchange. The Exchange believes that this clarifying language will safeguard the CEA process and enable the Exchange to submit CEA or Advice Cancel⁹ instructions to OCC in a timely fashion on Friday, the date on which OCC will be processing expiring options. The Exchange believes that this more clearly and accurately describes the deadline date and time. This amendment should provide a smooth transition to the Friday expiration, and to the processing of CEAs and Cancel Advices when the OCC begins to conduct expiration exercise procedures Friday for all Standard Expiration Contracts on June 21, 2013, even though the contracts would continue to expire on Saturday. The Exchange believes this benefits the investing public because Members will be required to submit these notifications in a timely fashion for Friday processing, removing their exposure to the risk of late notification and the concomitant exercise or non-exercise of their option contracts.

The Exchange proposes to amend MIAX Rule 700(c) by codifying the current practice under which holders of Short Term Option Series (“STOS”) have until 5:30 p.m. on the expiration date to make a final decision to exercise or not exercise an expiring option, which is also the current practice respecting Quarterly Options. Currently, Exchange Rule 700(c) states

⁸ A Contrary Exercise Advice is a communication either: (1) to not exercise an option that would be automatically exercised under the OCC’s Exercise-by-Exception (“Ex-by-Ex”) procedure (i.e., unless contrary instructions are given, option contracts that are in-the-money by specified amounts shall be automatically exercised); or (2) to exercise an option that would not be automatically exercised under the OCC’s Ex-by-Ex procedure. See MIAX Rule 700(d).

⁹ A Contrary Exercise Advice may be canceled by filing an “Advice Cancel” with the Exchange. See MIAX Rule 700(d)(i).

that option holders have until 5:30 p.m. Eastern Time on the business day immediately prior to the expiration date or, in the case of Quarterly Options Series, on the expiration date, to make a final decision to exercise or not exercise an expiring option. Just as with Quarterly Options Series, STOS currently may be exercised on the expiration date.¹⁰ The Exchange proposes to clarify this current practice in the Rule by stating that the expiration date exercise cutoff time applies to holders of STOS as well.¹¹ This change will bring the Exchange's Rules in line with the current OCC expiration schedule for STOS. Members may not accept exercise instructions for customer or non-customer accounts after 5:30 p.m. Eastern Time.

Finally, the Exchange proposes a clarifying change to Rule 700(h). Rule 700(h) currently provides that Members have until 7:30 Eastern Time to deliver a CEA or Advice Cancel to the Exchange for customer accounts and non-customer accounts. The Exchange proposes to amend this provision to clarify that Members have until 7:30 p.m. Eastern Time to deliver a CEA or Advice Cancel to the Exchange for customer accounts and non-customer accounts. This more precise description of the time deadline should assist the Exchange in its timely submission of such notification to OCC and eliminate any potential confusion, thus protecting investors submitting exercise instructions to Members when the time for closing the trading session is modified on the last business day before expiration will occur.

2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b)¹² of

¹⁰ STOS (or "Weekly") options expire on the Friday of the listing week. No weekly options are issued during the week of standard expiration (the third Friday of the month). When expiration Friday falls on a holiday, the weekly option will expire on the preceding Thursday. See, e.g., Securities Exchange Act Release No. 69658 (May 29, 2013), 78 FR 33454 (June 4, 2013) (SR-MIAX-2013-23).

¹¹ MIAX Rule 700 is nearly identical to ISE Rule 1100. ISE Rule 1100(c) did not account for the ability to exercise STOS on the expiration date.

¹² 15 U.S.C. 78f(b).

the Act in general, and furthers the objectives of Section 6(b)(5)¹³ of the Act in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest, and it is not designed to permit unfair discrimination among customers, brokers, or dealers.

By changing the Exchange's Rules to account for the new expiration date for most Standard Expiration Contracts (the third Friday of the expiration month), and for the OCC moving the expiration exercise procedures to Friday for all Standard Expiration Contracts for post-February 1, 2015 expirations, the proposed rule change should help to promote the prompt and accurate clearance and settlement of securities transactions, and foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions.

The proposed changes to account for the exercise of STOS on the expiration date remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest, by amending the Rules to be consistent with the current OCC expiration schedule. This change clarifies that investors must notify Members of their intention to exercise or not to exercise STOS, and that Members must submit CEAs and Advice Cancels, on the expiration date, thus further perfecting the mechanisms of a free and open market.

The proposed clarifying changes to provide more precise deadline times for the submission of exercise notifications and CEA Submissions should assist the Exchange in its

¹³ 15 U.S.C. 78f(b)(5).

timely submission of such notification to OCC and eliminate any potential confusion, thus protecting investors submitting exercise instructions to Members.

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

MIAX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is intended to help MIAX Members transition into the new Friday expiration date for Standard Expiration Contracts, and to foster cooperation with persons engaged in the clearance and settlement of securities transactions. This should enable the Exchange to continue to compete on an even playing field with other U.S. options exchanges.

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act¹⁴ and Rule 19b-4(f)(6)¹⁵ 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

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail [to rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-MIAX-2013-32 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-MIAX-2013-32. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be

available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-MIAX-2013-32 and should be submitted on or before [insert date 21 days from publication in the Federal Register]. For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Kevin M. O'Neill
Deputy Secretary

¹⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC Rules

Rule 700. Exercise of Option Contracts

(a) - (b)

(c) Exercise cut-off time. Option holders have until 5:30 p.m. Eastern Time on the business day immediately prior to the expiration date or, in the case of Short Term Option Series and Quarterly Options Series, on the expiration date, to make a final decision to exercise or not exercise an expiring option. Members may not accept exercise instructions for customer or non-customer accounts after 5:30 p.m. Eastern Time. Respecting options that expire after February 1, 2015, option holders have until 5:30 p.m. Eastern Time on the expiration date to make a final decision to exercise or not exercise an expiring option. Members may set earlier cutoff times for customers submitting exercise notices. Clearing Members are permitted to submit exercise instructions after the cutoff time only in case of errors or other unusual situations, and may be subject to fines or disciplinary actions pursuant to Rule 1014.

(d) No Change.

(i) No Change.

(ii) Deadline for CEA Submission for Customer Accounts. Members have until 7:30 p.m. Eastern Time on the business day immediately prior to the expiration date or, in the case of Short Term Option Series and Quarterly Options Series, on the expiration date, to submit a Contrary Exercise Advice to the Exchange.

(iii) Deadline for CEA Submission for Non-Customer Accounts. Members have until 7:30 p.m. Eastern Time on the business day immediately prior to the expiration date or, in the case of Short Term Option Series and Quarterly Options Series, on the expiration date, to submit a Contrary Exercise Advice to the Exchange if such Member employs an electronic submission procedure with time stamp for the submission of exercise instructions by option holders. Members are required to manually submit a Contrary Exercise Advice by 5:30 p.m. for non-customer accounts if such Members do not employ an electronic submission procedure with time stamp for the submission of exercise instructions by option holders.

(e) – (g) No change.

(h) In the event the Exchange provides advance notice on or before 5:30 p.m. Eastern Time on the business day immediately prior to the last business day before the expiration date indicating that a modified time for the close of trading in equity options on such last business day before expiration will occur, then the deadline to make a final decision to exercise or not exercise an expiring option shall be 1 hour 30 minutes following the time announced for the close of trading on that day instead of the 5:30 p.m. Eastern Time deadline found in Rule 700(c). However, Members have until 7:30 p.m. Eastern Time to deliver a Contrary Exercise Advice or Advice Cancel to the Exchange for customer accounts and non-customer accounts where such Member employs an electronic submission procedure with time stamp for the submission of exercise instructions. For non-customer accounts, Members that do not employ an electronic procedure with time stamp for the submission of exercise instructions are required to deliver a Contrary Exercise Advice or Advice Cancel within 1 hour and 30 minutes following the time announced for the close of trading on that day instead of the 5:30 p.m. Eastern Time deadline found in Rule 700(d).

(i) – (k) No change.
