

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 20 SECURITIES AND EXCHANGE COMMISSION File No.* SR - 2013 - * 38
 WASHINGTON, D.C. 20549
 Form 19b-4 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"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<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	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 *).

Amendment to the Fee Schedule

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * James **Last Name *** Morgan
Title * Associate Counsel and Assistant Vice President
E-mail * jmorgan@miami-holdings.com
Telephone * (609) 897-1484 **Fax**

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 07/22/2013 **Vice President and Senior Counsel**
By 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.

Persona Not Validated - 1369332978188,

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add Remove View

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

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

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

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, 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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Exhibit 5 - Proposed Rule Text

Add Remove View

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

Partial Amendment

Add Remove View

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

1. Text of the Proposed Rule Change

(a) Miami International Securities Exchange, LLC (“MIAX” or “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² proposes to amend the MIAX Options Fee Schedule (the “Fee Schedule”) to allow certain Lead Market Makers (“LMMs”) to be allocated Marketing Fees for orders directed to that LMM.

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 MIAX Options Fee Schedule 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 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 James C. Morgan, Associate Counsel and Assistant Vice President, at (609) 897-1484.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. **Purpose**

The Exchange proposes to amend its marketing fee.³ The marketing fee is assessed on certain transactions of all Market Makers.⁴ The funds collected via this marketing fee are then put into pools controlled by Primary Lead Market Makers (“PLMMs”) and LMMs. The PLMM or LMM controlling a certain pool of funds can then determine the Electronic Exchange Member(s) (“EEM”) to which the funds should be directed in order to encourage such EEM(s) to send orders to the Exchange. In accordance with Exchange Rule 514, an EEM can designate an order (“Directed Order”) to a specific LMM.

Currently, Section 1(b) of the Fee Schedule, which relates to the marketing fee, states that an LMM will only be given access to marketing fee funds generated from a Directed Order if the LMM has an appointment in the class in which the Directed Order is received and executed. However, other options exchanges allow an LMM (or similar position) to have access to the marketing fee funds generated from a Directed Order (or similar order type) regardless of whether the LMM has an appointment in a class in which the Directed Order is received and executed.⁵ The Exchange has determined to offer similar functionality on MIAX in order to be

³ The proposal is based on a substantially similar filing by the Chicago Board Options Exchange, Incorporated. See Securities Exchange Act Release No. 68131 (November 1, 2012), 77 FR 67032 (November 8, 2012) (SR-CBOE-2012-101).

⁴ See MIAX Options Fee Schedule, Section (1)(b), entitled Marketing Fee for more detail regarding the marketing fee. The Exchange is also proposing changes to its Directed Order program in order to allow LMMs in unassigned options classes to receive Directed Orders in a related companion filing SR-MIAX-2013-20. See Securities Exchange Act Release No. 69507 (May 3, 2013), 78 FR 27269 (May 9, 2013) (SR-MIAX-2013-20).

⁵ See CBOE Fees Schedule, fn. 6; NASDAQ OMX Phlx, LLC (“Phlx”) Pricing Schedule, section on Payment for Order Flow Fee; NYSE Amex Options Fee Schedule, fn. 10; International Securities Exchange, LLC (“ISE”) Schedule of Fees, Section IV(D). None of which contain requirements that a PLMM or LMM (or similar position) have an

on even competitive footing as these other exchanges.⁶

The Exchange proposes amending the Fee Schedule to allow qualifying LMMs to receive an allocation of marketing fees generated by Directed Orders sent to the qualifying LMM. Specifically, the Exchange proposes that for an LLM to qualify to be allocated Marketing Fees for Directed Orders for an applicable month, the LMM must either: (i) have an appointment in the relevant option class at the time of being directed the order; or (ii) for the month preceding the applicable month (the “qualifying month”) have an appointment as an LMM for at least ten (10) trading days in a minimum of fifty percent (50%) of the option classes listed on the Exchange for the entire qualifying month. The first prong is a carry-over from the current requirements and thus no change is proposed to this means of qualification. The Exchange proposes in the second prong a new means of qualifying for allocation of marketing fees, one which would allow qualifying LMMs without an appointment in the relevant class access to marketing fees. The Exchange designed the additional means of qualifying for access to marketing fee funds to be an appropriate counterbalance to the benefit of being allocated marketing fees. The Exchange believes that qualifying LMMs have demonstrated a commitment to providing liquidity on the Exchange through meeting the quoting and other regulatory obligations required of an LMM in either the relevant option class or a significant portion of option classes traded on the Exchange (i.e., 50%) for a significant portion of the previous trading month (i.e., 10 trading days). In contrast, the Exchange proposes that orders directed to

appointment in the class in which a Directed Order (or similar order type) is received and executed in order to have access to the marketing fee funds generated from that Preferred order.

⁶ See Securities Exchange Act Release No. 69507 (May 3, 2013), 78 FR 27269 (May 9, 2013) (SR-MIAX-2013-20).

non-qualifying LMMs be treated similar to non-directed orders and the marketing fee be allocated to the PLMM's "pool."

Permitting qualifying LMMs to be allocated marketing fees generated from a Directed Order would allow LMMs to encourage greater order flow to be sent to the Exchange. This increased order flow would benefit all market participants on the Exchange, such as customer orders with resting orders on the Exchange and LMMs that have an appointment and quote in the relevant option. Allowing qualifying LMMs to be allocated marketing fees generated from a Directed Order would provide LMMs with an incentive to encourage the routing of order flow into classes in which the LMM otherwise would not (such as classes in which the LMM is not appointed and quoting). Further, this will also provide LMMs with more flexibility to change their appointments, as they will not have to be concerned with whether or not they have made arrangements to pay for order flow in a specific class prior to changing appointments.

The proposed fee changes are to take effect on August 1, 2013.

b. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act⁸ 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

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

The Exchange believes that this proposal removes a requirement that other exchanges do not share and perfects the mechanism for a free and open market and a national market system by allowing the Exchange's marketing fee program to operate in a manner similar to competing options exchanges. In addition, the proposal promotes just and equitable principles of trade by encouraging greater order flow to be sent to the Exchange through Directed Orders in a manner that will benefit all market participants on the Exchange.

The Exchange also believes that allowing qualifying LMMs to be allocated marketing fees generated by a Directed Order is consistent with Section 6(b)(4) of the Act⁹ which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities. The proposed change is reasonable because it will allow LMMs greater access to marketing fee funds. The proposed change is equitable and not unfairly discriminatory because it is designed to allow LMMs to encourage greater order flow to be sent to the Exchange. A qualifying LMM could be able to amass a greater pool of funds with which to use to incent order flow providers to send order flow to the Exchange. This increased order flow would benefit all market participants on the Exchange. Further, allowing a qualified LMM to access marketing fee funds generated from a Directed Order would provide certain LMMs with an incentive to encourage the routing of order flow into classes in which the LMM otherwise would not (i.e., classes in which the qualifying LMM is not appointed and quoting).

Additionally, the Exchange designed the qualifying criteria for LMMs, either (i) having an appointment in the relevant option class the time of being directed the order or (ii) having an appointment as an LMM for at least ten (10) trading days in a minimum of fifty percent (50%) of

⁹ 15 U.S.C. 78f(b)(4).

the option classes listed on the Exchange for the entire qualifying month, to be an appropriate counterbalance to the benefit of being allocated marketing fees. The Exchange believes that qualifying LMMs have demonstrated a commitment to providing liquidity on the Exchange through meeting the quoting and other regulatory obligations required of an LMM in either the specific option class or a significant portion of option classes traded on the Exchange (i.e., 50%) and for a significant portion of the previous trading month (i.e., 10 trading days).

Lastly, the Exchange believes it to be equitable to treat orders directed to non-qualifying LMMs similar to non-directed order and allocate any applicable marketing fees to the PLMM's "pool" because the PLMM faces the highest quoting standard of any Market Maker in the relevant option class.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would place the Exchange on equal footing as other exchanges that allow their LMM equivalents to be allocated marketing fees generated by Directed Orders, regardless of having an appointment in the relevant option class. The Exchange believes that such an even playing field will promote competition among options exchanges.

The Exchange designed the qualifying criteria for LMMs to be an appropriate counterbalance to the benefit of being allocated marketing fees. The Exchange believes that qualifying LMMs have demonstrated a commitment to providing liquidity on the Exchange through meeting the quoting and other regulatory obligations required of an LMM in either the specific option class or a significant portion of option classes traded on the Exchange (i.e., 50%) and for a significant portion of the previous trading month (i.e., 10 trading days). The Exchange

believes that the proposal to treat orders directed to non-qualifying LMMs similar to non-directed order and allocate any applicable marketing fees to the PLMM's "pool" would not create an undue burden on competition because the PLMM faces the highest quoting standard of any Market Maker in the relevant option class.

The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues who offer similar fee structures. Many competing venues offer similar fee structures to market participants. To this end, the Exchange is proposing a market enhancement to encourage market participants to trade on the Exchange. The Exchange believes the proposed rule change is procompetitive because it would enable the Exchange to provide member organizations with a fee structure that is similar to that of other 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**

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,¹⁰ and Rule 19b-4(f)(2) thereunder,¹¹ 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.

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ 17 CFR 240.19b-4(f)(2).

At any time within 60 days of the filing of this 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 proposal is based on a substantially similar filing by CBOE.¹² The proposal differs from CBOE's filing that the Exchange proposes stricter requirements to be meant for LMMs to be eligible to qualify for market fees on Directed Orders that they receive. Specifically, the LMMs must either (i) have an appointment in the relevant option class the time of being directed the order, or (ii) have an appointment as an LMM for at least ten (10) trading days in a minimum of fifty percent (50%) of the option classes listed on the Exchange for the entire qualifying month in order to qualify for allocation of marketing fees on the Exchange.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.

5. Applicable section of MIAX Options Fee Schedule

¹² See Securities Exchange Act Release No. 68131 (November 1, 2012), 77 FR 67032 (November 8, 2012) (SR-CBOE-2012-101).

EXHIBIT 1SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-MIAX-2013-38)

July __, 2013

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange LLC to Amend the MIAX Options Fee Schedule

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 23, 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 the MIAX Options Fee Schedule (the “Fee Schedule”) to allow certain Lead Market Makers (“LMMs”) to be allocated Marketing Fees for orders directed to that LMM.

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.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

The Exchange proposes to amend its marketing fee.³ The marketing fee is assessed on certain transactions of all Market Makers.⁴ The funds collected via this marketing fee are then put into pools controlled by Primary Lead Market Makers ("PLMMs") and LMMs. The PLMM or LMM controlling a certain pool of funds can then determine the Electronic Exchange Member(s) ("EEM") to which the funds should be directed in order to encourage such EEM(s) to send orders to the Exchange. In accordance with Exchange Rule 514, an EEM can designate an order ("Directed Order") to a specific LMM.

Currently, Section 1(b) of the Fee Schedule, which relates to the marketing fee, states that an LMM will only be given access to marketing fee funds generated from a Directed Order if the LMM has an appointment in the class in which the Directed Order is received and executed. However, other options exchanges allow an LMM (or similar position) to have access to the marketing fee funds generated from a Directed Order (or similar order type) regardless of whether the LMM has an appointment in a class in which the Directed Order is received and

³ The proposal is based on a substantially similar filing by the Chicago Board Options Exchange, Incorporated. See Securities Exchange Act Release No. 68131 (November 1, 2012), 77 FR 67032 (November 8, 2012) (SR-CBOE-2012-101).

⁴ See MIAX Options Fee Schedule, Section (1)(b), entitled Marketing Fee for more detail regarding the marketing fee. The Exchange is also proposing changes to its Directed Order program in order to allow LMMs in unassigned options classes to receive Directed Orders in a related companion filing SR-MIAX-2013-20. See Securities Exchange Act Release No. 69507 (May 3, 2013), 78 FR 27269 (May 9, 2013) (SR-MIAX-2013-20).

executed.⁵ The Exchange has determined to offer similar functionality on MIAX in order to be on even competitive footing as these other exchanges.⁶

The Exchange proposes amending the Fee Schedule to allow qualifying LMMs to receive an allocation of marketing fees generated by Directed Orders sent to the qualifying LMM. Specifically, the Exchange proposes that for an LLM to qualify to be allocated Marketing Fees for Directed Orders for an applicable month, the LMM must either: (i) have an appointment in the relevant option class at the time of being directed the order; or (ii) for the month preceding the applicable month (the “qualifying month”) have an appointment as an LMM for at least ten (10) trading days in a minimum of fifty percent (50%) of the option classes listed on the Exchange for the entire qualifying month. The first prong is a carry-over from the current requirements and thus no change is proposed to this means of qualification. The Exchange proposes in the second prong a new means of qualifying for allocation of marketing fees, one which would allow qualifying LMMs without an appointment in the relevant class access to marketing fees. The Exchange designed the additional means of qualifying for access to marketing fee funds to be an appropriate counterbalance to the benefit of being allocated marketing fees. The Exchange believes that qualifying LMMs have demonstrated a commitment to providing liquidity on the Exchange through meeting the quoting and other regulatory obligations required of an LMM in either the relevant option class or a significant portion of

⁵ See CBOE Fees Schedule, fn. 6; NASDAQ OMX Phlx, LLC (“Phlx”) Pricing Schedule, section on Payment for Order Flow Fee; NYSE Amex Options Fee Schedule, fn. 10; International Securities Exchange, LLC (“ISE”) Schedule of Fees, Section IV(D). None of which contain requirements that a PLMM or LMM (or similar position) have an appointment in the class in which a Directed Order (or similar order type) is received and executed in order to have access to the marketing fee funds generated from that Preferred order.

⁶ See Securities Exchange Act Release No. 69507 (May 3, 2013), 78 FR 27269 (May 9, 2013) (SR-MIAX-2013-20).

option classes traded on the Exchange (i.e., 50%) for a significant portion of the previous trading month (i.e., 10 trading days). In contrast, the Exchange proposes that orders directed to non-qualifying LMMs be treated similar to non-directed orders and the marketing fee be allocated to the PLMM's "pool."

Permitting qualifying LMMs to be allocated marketing fees generated from a Directed Order would allow LMMs to encourage greater order flow to be sent to the Exchange. This increased order flow would benefit all market participants on the Exchange, such as customer orders with resting orders on the Exchange and LMMs that have an appointment and quote in the relevant option. Allowing qualifying LMMs to be allocated marketing fees generated from a Directed Order would provide LMMs with an incentive to encourage the routing of order flow into classes in which the LMM otherwise would not (such as classes in which the LMM is not appointed and quoting). Further, this will also provide LMMs with more flexibility to change their appointments, as they will not have to be concerned with whether or not they have made arrangements to pay for order flow in a specific class prior to changing appointments.

The proposed fee changes are to take effect on August 1, 2013.

2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act⁸ 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

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

open market and a national market system and, in general, to protect investors and the public interest

The Exchange believes that this proposal removes a requirement that other exchanges do not share and perfects the mechanism for a free and open market and a national market system by allowing the Exchange's marketing fee program to operate in a manner similar to competing options exchanges. In addition, the proposal promotes just and equitable principles of trade by encouraging greater order flow to be sent to the Exchange through Directed Orders in a manner that will benefit all market participants on the Exchange.

The Exchange also believes that allowing qualifying LMMs to be allocated marketing fees generated by a Directed Order is consistent with Section 6(b)(4) of the Act⁹ which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities. The proposed change is reasonable because it will allow LMMs greater access to marketing fee funds. The proposed change is equitable and not unfairly discriminatory because it is designed to allow LMMs to encourage greater order flow to be sent to the Exchange. A qualifying LMM could be able to amass a greater pool of funds with which to use to incent order flow providers to send order flow to the Exchange. This increased order flow would benefit all market participants on the Exchange. Further, allowing a qualified LMM to access marketing fee funds generated from a Directed Order would provide certain LMMs with an incentive to encourage the routing of order flow into classes in which the LMM otherwise would not (*i.e.*, classes in which the qualifying LMM is not appointed and quoting).

Additionally, the Exchange designed the qualifying criteria for LMMs, either (i) having an appointment in the relevant option class the time of being directed the order or (ii) having an

⁹ 15 U.S.C. 78f(b)(4).

appointment as an LMM for at least ten (10) trading days in a minimum of fifty percent (50%) of the option classes listed on the Exchange for the entire qualifying month, to be an appropriate counterbalance to the benefit of being allocated marketing fees. The Exchange believes that qualifying LMMs have demonstrated a commitment to providing liquidity on the Exchange through meeting the quoting and other regulatory obligations required of an LMM in either the specific option class or a significant portion of option classes traded on the Exchange (i.e., 50%) and for a significant portion of the previous trading month (i.e., 10 trading days).

Lastly, the Exchange believes it to be equitable to treat orders directed to non-qualifying LMMs similar to non-directed order and allocate any applicable marketing fees to the PLMM's "pool" because the PLMM faces the highest quoting standard of any Market Maker in the relevant option class.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would place the Exchange on equal footing as other exchanges that allow their LMM equivalents to be allocated marketing fees generated by Directed Orders, regardless of having an appointment in the relevant option class. The Exchange believes that such an even playing field will promote competition among options exchanges.

The Exchange designed the qualifying criteria for LMMs to be an appropriate counterbalance to the benefit of being allocated marketing fees. The Exchange believes that qualifying LMMs have demonstrated a commitment to providing liquidity on the Exchange through meeting the quoting and other regulatory obligations required of an LMM in either the specific option class or a significant portion of option classes traded on the Exchange (i.e., 50%) and for a significant portion of the previous trading month (i.e., 10 trading days). The Exchange

believes that the proposal to treat orders directed to non-qualifying LMMs similar to non-directed order and allocate any applicable marketing fees to the PLMM's "pool" would not create an undue burden on competition because the PLMM faces the highest quoting standard of any Market Maker in the relevant option class.

The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues who offer similar fee structures. Many competing venues offer similar fee structures to market participants. To this end, the Exchange is proposing a market enhancement to encourage market participants to trade on the Exchange. The Exchange believes the proposed rule change is procompetitive because it would enable the Exchange to provide member organizations with a fee structure that is similar to that of other 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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.¹⁰ 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.

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

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:to-rule-comments@sec.gov). Please include File Number SR-MIAX-2013-38 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-2013-38. 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-2013-38 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.¹¹

Kevin M. O'Neill
Deputy Secretary

¹¹ 17 CFR 200.30-3(a)(12).

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

MIAX Options Fee Schedule

1) Transaction Fees

a) No change.

b) Marketing Fee

MIAX will assess a Marketing Fee to all Market Makers for contracts, including mini options, they execute in their assigned classes when the contra-party to the execution is a Priority Customer.

Members that are assigned as PLMMs and LMMs will have a Marketing Fee “pool” into which the Exchange will deposit the applicable per-contract Marketing Fee[for the appropriate transactions in option classes in which they are assigned as PLMM or LMM]. For orders directed to[an LMMs or] PLMMs and certain qualifying LMMs, applicable Marketing Fees are allocated to the[LMM’s or] PLMM’s or LMM’s Marketing Fee “pool.” To qualify for a Marketing Fee allocation for an applicable month, an LMM must either: (i) have an appointment in the relevant option class at the time of being directed the order; or (ii) for the month preceding the applicable month (the “qualifying month”) have an appointment as an LMM for at least ten (10) trading days in a minimum of fifty percent (50%) of the option classes listed on the Exchange for the entire qualifying month. For non-directed orders and orders directed to non-qualifying LMMs, applicable Marketing Fees are allocated to the PLMM’s Marketing Fee “pool.” All Market Makers that participated in such transactions will pay the applicable Marketing Fee to the Exchange, which will allocate such funds to the Member that controls the distribution of the Marketing Fee “pool.” Each month the Member will submit written instructions to MIAX describing how MIAX is to distribute the Marketing Fees in the “pool” to Electronic Exchange Members identified by the Member.

Undispersed Marketing Fees will be reimbursed to Market Makers that contributed to the “pool” based upon their pro-rata portion of the entire amount of Marketing Fees collected on a three month rolling schedule.
