determination.[12] The proposed rule change was published for comment in the **Federal Register** on September 4, 2013. The 180th day after that publication is March 3, 2014.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change, as amended, so that it has sufficient time to consider the amended proposal, the issues raised in the comment letters on the amended proposal, and FINRA's response to the comments.

Accordingly, the Commission, pursuant to Section 19(b)(2)(B)(ii)(II) of the Act,[13] designates May 2, 2014, as the date by which the Commission should either approve or disapprove the proposed rule change (SR–FINRA–2013–036).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014–04922 Filed 3–5–14; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 71634; File No. SR–MIAX–2014–08]

Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing of Proposed Rule Change To Modify Price Protection Provisions for the Execution of Orders

February 28, 2014.

Pursuant to 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 February 14, 2014, Miami International Securities Exchange LLC (''MIAX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 Rules 515 and 529 to modify price protection provisions for the execution of orders.

The text of the proposed rule change is available on the Exchange's Web site 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 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 Exchange Rules 515 and 529 to modify price protection provisions for the execution of orders to provide market participants additional flexibility to designate the level of price protections for their orders. The Exchange proposes to: (i) Amend Rule 515(c) to establish a new price protection for market participants; (ii) amend Rule 529 to allow for immediate routing in an additional situation; and (iii) make corresponding technical changes including deleting the language in current Rule 515(c).

Specifically, the Exchange proposes to amend Rule 515 to: (a) Amend price protection functionality as described in Rule 515(c) to be flexible and customizable by market participants and allow for the execution of a non-Market Maker order at multiple price points instead of a one-size-fits-all system that permits executions at a maximum of two price-points; (b) amend the handling of incoming routable non-Market Maker orders as described in Rule 515(c) to account for the flexibility of the proposed price protection functionality; (c) amend the handling of incoming non-routable non-Market Maker orders as described in Rule 515(c) to account for the flexibility of the proposed price protection functionality; (d) amend the Liquidity Refresh Pause to account for the proposed price protection functionality which would allow orders to trade at multiple price-points; (e) amend the Liquidity Refresh message to include the exhausted MBBO price instead of the original NBBO price; (f) amend the Liquidity Refresh Pause so that a new quote or order received during a Liquidity Refresh Pause on the same side of the market as the initiating order's remaining contracts that locks or crosses the original NBBO will terminate the Liquidity Refresh Pause instead of joining the initiating order to wait for the end of the Pause; (g) amend the handling of Immediate or Cancel and Fill or Kills orders during a Liquidity Refresh Pause so that the Liquidity Refresh Pause will terminate early if such orders improve the same side of the market as the initiating order; (h) amend the handling of Immediate or Cancel orders to apply a price protection system similar to that for non-Market Maker orders; (i) amend the handling of Fill-or-Kill orders to apply a price protection system similar to that for non-Market Maker orders; and (j) provide a new Interpretation and Policy to Rule 515 to codify how the managed interest is priced when there are multiple possible execution prices. In addition, the Exchange proposes to amend Rule 529 to allow resting Public Orders to route in a specific scenario. Finally, the Exchange proposes to make corresponding technical changes including deleting the language in current Rule 515(c) and replacing references in Rules 516 and 520.

Non-Market Market Orders That Could Not Be Executed or Could Not Be Executed in Full at the Original NBBO Upon Receipt

Rule 515(c) currently details the execution of non-Market Market orders that could not be executed or could not be executed in full at the original NBBO upon receipt. Proposed Rule 515(c) continues to address the execution of such non-Market Maker orders. However, the Exchange proposes to add language to explain that such orders, depending upon the order's specific price protection instructions, may be reevaluated for executions at additional price-points. Specifically, non-Market Maker orders that are reevaluated by the System for execution pursuant to an order's price protection instructions that could not be executed or could not be executed in full at the NBBO at the time of reevaluation will be handled in accordance with the provisions of Proposed Rule 515(c). The subparagraphs of Proposed Rule 515(c) will apply to orders both (i) upon receipt by the System, and (ii) upon reevaluation by the System for

[12] 15 U.S.C. 78s(b)(2)(B)(ii)(II).

[13] *Id.*

[14] 17 CFR 200.30–3(a)(57).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

execution and according to the price protections designated on the order. The term ''initiating order'' will be used in the subparagraphs of Proposed Rule 515(c) to refer to (i) the incoming order that could not be executed, (ii) the order reevaluated by the System for execution that could not be executed, or (iii) the remaining contracts of the incoming order or reevaluated order could not be executed in full. The term ''original NBBO'' will be used in the following paragraphs to refer to the NBBO that existed at time of receipt of the initiating order or the NBBO at time of reevaluation of an order pursuant to Rule 515. The language added to Proposed Rule 515(c) is necessary to accommodate the possibility of a non-Market Maker executing at multiple price-points in accordance with the proposed price protection functionality.

Price Protection

Rule 515(c) currently provides a detailed price protection process that includes a managed interest process and liquidity refresh pause. Rule 515(c) currently imposes a fixed, one Minimum Price Variation (MPV) price protection scheme in which incoming non-Market Maker orders can, at a maximum, trade at two price-points—at the original NBBO and one MPV away from the original NBBO upon receipt.[3] Thereafter, the System will cancel the remaining portion of any order that can potentially trade at a price more than one MPV away from the original NBBO.[4]

The Exchange believes that the current price protection functionality is too rigid and does not meet the needs of all market participants. Since commencing operations over one year ago, both the Exchange and its participants have gained in knowledge and experience in the use of the Exchange System and stand ready for the next step in its evolution—a more flexible system of price protection. The Exchange believes that the additional flexibility of the proposed price protection provides market participants with an invaluable level of protection on the Exchange in the wake of recent industry-wide market events. The Exchange also proposes the functionality as part of its broader response to the Commission's initiative regarding such industry-wide market events.

The Exchange proposes to amend Rule 515(c) to provide more flexibility in the price protections offered to market participants by replacing the rigid price protection system with a customizable one where market participants may specify the level of price protection by the number of price-points at which an order may trade. The current price protection functionality does not offer flexibility and caps the execution of every incoming non-Market Maker order with a maximum of two price-points—at the original NBBO at the time of receipt and one MPV away from the original NBBO. The Exchange proposes to replace this rigidity with flexibility and choice. Specifically, the Exchange proposes to open up the price protection functionality so that market participants may designate, on an order by order basis, price protection instructions that are expressed in units of MPV away from the NBBO at the time of the order's receipt, or the MBBO if the ABBO is crossing the MBBO. Price protection prevents an order from being executed beyond the price designated in the order's price protection instructions (the ''price protection limit''). If a market participant does not provide such price protection instructions, the Exchange proposes implementing a default price protection consistent with the current price protection functionality—one MPV away from the NBBO at the time of receipt, or the MBBO if the ABBO is crossing the MBBO. Currently all incoming non-Market Marker orders are subject to price protection functionality. However in contrast the Exchange now proposes providing market participants, if they so choose, with the ability to elect to disable price protection on an order by order basis.[5] To sum, the proposed price protection system provides market participants with greater control over how their order is executed and allows for greater interaction with liquidity both on MIAX and away markets, all while retaining the protective benefits of the current system that prevents incoming non-Market Maker orders from executing beyond a certain price-point. As proposed, an order will be able to execute up or down to its price protection—which would be fully customizable and no longer a one-size-fits-all approach of the current functionality. When triggered, price protection will cancel an order or the remaining contracts of an order. Consistent with current functionality, the System will not execute incoming orders at prices inferior to the NBBO.[6]

The following example describes the price protection functionality when a non-Market Maker limit order trades until it reaches its price protection instruction limit.[7] In this situation, the remaining contracts will be cancelled because the price protection instructions have been triggered. Price protection prevents the order in this example from receiving an execution beyond the price protection limit, calculated as a specified number of MPVs away from the NBBO at the time of receipt, or the MBBO if the ABBO is crossing the MBBO, by canceling the order back to the market participant. Upon receipt of the cancellation, a market participant may then elect to resubmit the order.

EXAMPLE 1: LIMIT PRICE EXCEEDS PRICE PROTECTION—ORDER TRADED UNTIL PRICE PROTECTION LIMIT AND IS CANCELED

Market	Bid	Ask
ABBO	1.00 (10)	1.20 (10)
Order 1		1.10 (10)
Order 2		1.12 (10)
Order 3		1.15 (10)
Order 4		1.16 (10)
PLMM	1.00 (10)	1.20 (10)

- Order 5: Buy limit of 1.13 for 100 contacts with a price protection instruction of 2 MPVs
- MBBO at time of arrival = 1.00 (10) × 1.10 (10)
- NBBO at time of arrival = 1.00 (20) × 1.10 (10)
- Order 5 is price protected at 1.12 (which is 1.10 + 2 MPV = 1.12)
- Order 5 trades 10 contracts with Order 1 @ 1.10
- Order 5 trades 10 contracts with Order 2 @ 1.12
- Order 5's remaining contracts are then cancelled because there is no more interest to trade against at Order 5's price protection level of 1.12. Order 5's remaining contracts are cancelled and not placed on the Book because limit price of 1.13

[3] The Exchange does not propose to amend the provisions regarding the execution of orders and quotes described in Rules 515(b), 515(d), and 515(f)–(h). *See* Exchange Rules 515(b), (d), (f)–(h). As discussed below, the Exchange does propose to amend Rule 515(a), 515(c), and 515(e).

[4] *See* current Exchange Rules 515(c)(1)(ii)(A), (c)(1)(ii)(B)(1)(b), (c)(1)(ii)(B)(2)(b), (c)(1)(iii)(A)(1)(a)2), (c)(1)(iii)(A)(1)(b)2), (c)(1)(iii)(B)(1)(b), and (c)(1)(iii)(B)(2)(b) (instances where the System cancels orders that are priced more than one MPV away from the NBBO).

[5] The Exchange notes that orders will still be subject to the other price protections systematically enforced for all orders, *e.g.,* Exchange Rule 503(f)(5), Expanded Quote Range, Exchange Rule 519, MIAX Order Monitor.

[6] *See* both current and Proposed Exchange Rule 515(a)—this point is unchanged.

[7] The non-Market Maker limit order in this example could be either a Routable or Non-Routable order as this distinction does not matter because the order is never subjected to being routed as the ABBO exceeds the order's limit. Upcoming examples will demonstrate the difference between Routable and Non-Routable orders.

exceeds its price protection limit of 1.12

The following example describes the price protection functionality when a limit order reaches its limit price and can be displayed.[8] Price protection does not factor into this example as the limit price is reached before the price protection price.

EXAMPLE 2: PRICE PROTECTION EXCEEDS LIMIT PRICE—LIMIT PRICE REACHED AND ORDER IS BOOKED

Market	Bid	Ask
ABBO	1.00 (10)	1.20 (10)
Order 1		1.10 (10)
Order 2		1.12 (10)
Order 3		1.15 (10)
Order 4		1.16 (10)
PLMM	1.00 (10)	1.20 (10)

- Order 5: Buy limit of 1.13 for 100 contacts with a price protection instruction of 4 MPVs
- MBBO at time of arrival = 1.00 (10) × 1.10 (10)
- NBBO at time of arrival = 1.00 (10) × 1.10 (10)
- Order 5 is price protected at 1.14 (which is 1.10 + 4 MPV = 1.14)
  - Order 5 trades 10 contracts with Order 1 @ 1.10
  - Order 5 trades 10 contracts with Order 2 @ 1.12
  - Order 5's remaining contracts are then placed on the MIAX Book @ 1.13 as Order 5 has reached its limit price of 1.13

The following example describes the price protection functionality when a limit order reaches its limit price and can be displayed.[9] In this example, the order's limit price and the price protection price are equal. In these scenarios, the order will be displayed at its limit price rather than be canceled.[10]

EXAMPLE 3: PRICE PROTECTION EQUALS LIMIT PRICE—LIMIT PRICE REACHED AND ORDER IS BOOKED

Market	Bid	Ask
ABBO	1.00 (10)	1.20 (10)
Order 1		1.10 (10)
Order 2		1.12 (10)
Order 3		1.15 (10)
Order 4		1.16 (10)
PLMM	1.00 (10)	1.20 (10)

- Order 5: Buy limit of 1.13 for 100 contacts with a price protection instruction of 3 MPVs
- MBBO at time of arrival = 1.00 (10) × 1.10 (10)
- NBBO at time of arrival = 1.00 (10) × 1.10 (10)
- Order 5 is price protected at 1.13 (which is 1.10 + 3 MPV = 1.13)
  - Order 5 trades 10 contracts with Order 1 @ 1.10
  - Order 5 trades 10 contracts with Order 2 @ 1.12
  - Order 5's remaining contracts are then placed on the MIAX Book @ 1.13 as Order 5 has reached its limit price of 1.13

Routable Non-Market Maker Orders

The Exchange proposes amending the rules governing routable non-Market Maker orders (''routable orders'') to accommodate for the greater flexibility of the proposed price protection functionality described above. Rule 515(c) currently allows routable orders to, at a maximum, trade at two price-points—at the original NBBO and one MPV away from the original NBBO upon receipt. Currently, an execution at the second price point can only occur on MIAX[11] because after executing at this second price point at MIAX any remaining balance[12] will be handled by the managed interest process[13] rather than be routed to away markets which may also be displaying this second price-point.[14] Specifically, if interest is not available at MIAX at this second price point, the System will, depending on the order's price, either (i) handle any remaining according to the managed interest process rather than routing to an away market that may be displaying interest at this second price-point,[15] or (ii) cancel the remaining balance.[16]

The Exchange proposes adding greater flexibility to the price protection functionality as applied to routable orders. As proposed, the System will seek to trade routable orders to the extent possible at MIAX first before routing to the ABBO. The System will trade and/or route a routable order until the first of: The order is fully executed; the order has traded or routed to and including its price protection limit; or the order has traded or routed to and including its limit price. A routable order that would otherwise trade and/or route through its price protection limit will be canceled. For a routable order that has traded or routed to and including its limit price, the System will display and book the order at its limit price to await further execution in accordance with Rule 515. As current, the System will not execute such orders at prices inferior to the current NBBO. Consistent with the current rule, the routing of routable orders will be handled in accordance with Rule 529.

The following example describes the how the price protection will handle routable non-Market Maker orders. In this example, the order routes at multiple price-points, with each price point triggering a Route Timer,[17] and the order's remaining contracts eventually get cancelled because it has routed at prices up to and including its price protection instructions. Price protection prevents an order from receiving an execution beyond a specific price, calculated as a specified number of MPVs away from the NBBO at the time of receipt, or the MBBO if the ABBO is crossing the MBBO, by canceling the order back to the market participant. The Exchange notes that after each route, the System will reevaluate the order to consider any

[8] The non-Market Maker limit order in this example could be either a Routable or Non-Routable order as this distinction does not matter because the ABBO exceeds the order's limit. Upcoming examples will demonstrate the difference between Routable and Non-Routable orders.

[9] The non-Market Maker limit order in this example could be either a Routable or Non-Routable order as this distinction does not matter because the ABBO exceeds the order's limit. Upcoming examples will demonstrate the difference between Routable and Non-Routable orders.

[10] *See* Proposed Rule 515(c)(1)(i)(C) and (c)(1)(ii)(C).

[11] *See* current Exchange Rule 515(c)(1)(ii)(B)(1) (the Exchange System will execute such an order against the MIAX bid or offer one MPV beyond the original NBBO).

[12] Remaining balance of a limit order with a limit price at this second price-point are handled according to the managed order process. *See* current Exchange Rule 515(c)(1)(ii)(B)(1)(a). Market orders or orders with a limit price beyond this second price-point are cancelled. *See* current Exchange Rule 515(c)(1)(ii)(B)(1)(b).

[13] Managed interest process allows the System, *inter alia,* to display an order at a price that avoids locking or cross the NBBO. *See* current Exchange Rule 515(c)(2).

[14] *See* current Exchange Rule 515(c)(1)(ii)(B)(1)(a).

[15] Orders that cross the original NBBO are handled according to the managed interest process in these scenarios. *See* current Exchange Rule 515(c)(1)(ii)(B)(2)(a).

[16] Market orders and orders with a limit price that crosses the original NBBO by more than one MPV are canceled in these scenarios. *See* current Exchange Rule 515(c)(1)(ii)(B)(2)(b).

[17] The System will handle any routing of a routable order according to Exchange Rule 529. *See* Proposed Rule 515(c)(1)(i). Currently, such routable orders are only eligible to route once—to away markets displaying the NBBO upon receipt—with any remaining balance either being handled according to the managed interest process or cancelled. *See* current Exchange Rule 515(c)(1)(ii)(B). Since the proposed price protection functionality allows routable orders to trade and route at multiple price-points, it is possible for Route Timers to be triggered at multiple price-points.

updates to the away market quotes in the next decision.

EXAMPLE 4: ROUTABLE ORDER—PRICE PROTECTION LIMIT REACHED AND ORDER CANCELED

Market	Bid	Ask
MIAX	1.00 (10)	1.20 (10)
MKT1	1.00 (10)	1.10 (10)
MKT2	1.00 (10)	1.12 (10)
MKT3	1.00 (10)	1.15 (10)
MKT4	1.00 (10)	1.16 (10)

- Order 1: Buy limit of 1.13 for 100 contacts with a price protection instruction of 2 MPVs
- NBBO at time of arrival = 1.00 (50) × 1.10 (10)
  - Order 1 is price protected at 1.12 (which is 1.10 + 2 MPV = 1.12)
  - Route Timer is triggered as Order 1 is eligible to route to MKT1
  - MBBO is updated: 1.09 (100) × 1.20 (10)
  - Route Timer expires and 10 contracts of Order 1 are routed to MKT1 @ 1.10
  - The System will reevaluate Order 1 pursuant to Rule 515 to trade, post, route, or cancel considering any updates to the away market quotes—assume for the example that no market has updated it quote
  - NBO at time of reevaluation: 1.12 (10) (MKT 2)
  - The NBO of 1.12 is within Order 1's price protection limit of 1.12
  - Route Timer is triggered as Order 1 is eligible to route to MKT2
  - MBBO is updated: 1.11 (90) × 1.20 (10)
  - Route Timer expires and 10 contracts of Order 1 are routed to MKT2 @ 1.12
  - The System will reevaluate Order 1 pursuant to Rule 515 to trade, post, route, or cancel considering any updates to the away market quotes—assume for the example that no market has updated it quote
  - NBO at time of reevaluation: MKT 3's 1.15 (10) (MKT 3)
  - The NBO of 1.15 is outside of Order 1's price protection limit of 1.12
  - Order 1's remaining 80 contracts are then cancelled because it has been routed until its price protection limit of 1.12. Order 1 cannot displayed at its limit of 1.13 because this could allow Order 1 to be execution at a price (1.13) exceeding its price protection limit (1.12)

EXAMPLE 5: ROUTABLE ORDER—QUOTE UPDATE AND ORDER IS FULLY EXECUTED

Market	Bid	Ask
MIAX	1.00 (10)	1.20 (10)
MKT1	1.00 (10)	1.10 (10)
MKT2	1.00 (10)	1.12 (10)
MKT3	1.00 (10)	1.15 (10)
MKT4	1.00 (10)	1.16 (10)

- Order 1: Buy limit of 1.13 for 100 contacts with a price protection instruction of 2 MPVs
- NBBO at time of arrival = 1.00 (50) × 1.10 (10)
- Order 1 is price protected at 1.12 (which is 1.10 + 2 MPV = 1.12)
  - Route Timer is triggered as Order 1 is eligible to route to MKT1
  - MBBO is updated: 1.09 (100) × 1.20 (10)
  - Route Timer expires and 10 contracts of Order 1 are routed to MKT1 @ 1.10
- The System will reevaluate Order 1 pursuant to Rule 515 to trade, post, route, or cancel considering any updates to the away market quotes—assume for the example that MKT 4 has updated its quote: 1.00 (10) × 1.12 (80)
  - NBO at time of reevaluation: 1.12 (90) (MKT 2 and MKT 4)
  - The NBO of 1.12 is within Order 1's price protection limit of 1.12
  - Route Timer is triggered as Order 1 is eligible to route to MKT 2 and MKT 4
  - Route Timer expires and 10 contracts are routed to MKT 2 @ 1.12 and 80 contracts of Order 1 are routed to MKT4 @ 1.12
  - Order 1 has been fully executed

EXAMPLE 6: ROUTABLE ORDER—LIMIT PRICE REACHED AND ORDER IS BOOKED

Market	Bid	Ask
MIAX	1.00 (10)	1.20 (10)
MKT1	1.00 (10)	1.10 (10)
MKT2	1.00 (10)	1.12 (10)
MKT3	1.00 (10)	1.15 (10)
MKT4	1.00 (10)	1.16 (10)

- Order 1: Buy limit of 1.12 for 100 contacts with a price protection instruction of 2 MPVs
- NBBO at time of arrival = 1.00 (50) × 1.10 (10)
  - Order 1 is price protected at 1.12 (which is 1.10 + 2 MPV = 1.12)
  - Route Timer is triggered as Order 1 is eligible to route to MKT1
  - MBBO is updated: 1.09 (100) × 1.20 (10)
  - Route Timer expires and 10 contracts of Order 1 are routed to MKT1 @1 1.10
- The System will reevaluate Order 1 pursuant to Rule 515 to trade, post, route, or cancel considering any updates to the away market quotes—assume for the example that no market has updated it quote
- NBO at time of reevaluation: 1.12 (10) (MKT 2)
- The NBO of 1.12 is within Order 1's price protection limit of 1.12
- Route Timer is triggered as Order 1 is eligible to route to MKT2
- MBBO is updated: 1.11 (90) × 1.20 (10)
- Route Timer expires and 10 contracts of Order 1 are routed to MKT2 @ 1.12
- The System will reevaluate Order 1 pursuant to Rule 515 to trade, post, route, or cancel considering any updates to the away market quotes—assume for the example that no market has updated its quote
- Order 1's remaining 80 contracts are placed on the Book at its limit price of 1.12
- MBBO is updated: 1.12 (80) × 1.20 (10)

Non-Routable Non-Market Maker Orders

The Exchange proposes amending the rules governing non-routable non-Market Maker orders ("non-routable orders") to accommodate for the greater flexibility of the proposed price protection functionality described above. Rule 515(c) currently allows non-routable orders to, at a maximum, trade at two price-points—at the original NBBO and one MPV away from the original NBBO upon receipt. Thereafter, the System will cancel the remaining portion of any order that can potentially trade at a price more than one MPV away from the original NBBO.[18]

Consistent with the current price protections, a non-routable order will never be routed outside of the Exchange regardless of prices displayed by away markets and can trade on the Exchange at a price equal to or better than, but not inferior to, the ABBO. As current, the System will not execute such orders at prices inferior to the current NBBO. The Exchange proposes adding flexibility to the price protection functionality as applied to non-routable orders by allowing the System to trade a non-routable order until the first of: The order is fully executed; the order has traded to and including its price

[18] *See* current Exchange Rule 515(c)(1)(ii)(A), (c)(1)(iii)(A)(1)(a)(2), (c)(1)(iii)(A)(1)(b)(2), (c)(1)(iii)(B)(1)(b), and (c)(1)(iii)(B)(2)(b) (instances where the System cancels non-routable orders that are priced more than one MPV away from the NBBO).

protection limit; or the order has traded to and including its limit price. A non-routable order that reaches its price protection limit before its limit price will be canceled. If a non-routable order reaches its limit price, the System will attempt to display this non-routable order at its limit price. However, if its limit price would lock or cross the current opposite side NBBO, the System will display the order one MPV away from the current opposite side NBBO, and book the order at a price that will lock the current opposite side NBBO. Should the NBBO price change to an inferior price level, the order's Book price will continuously re-price to lock the new NBBO and the managed order's displayed price will continuously re-price one MPV away from the new NBBO until the order's has traded to and including its limit price, has traded to and including its price protection limit at which any remaining contracts are cancelled, is fully executed, or is cancelled. If the Exchange receives a new order or quote on the opposite side of the market from the managed order that can be executed, the System will immediately execute the remaining contracts from the initiating order to the extent possible at the order's current Book price, provided that the execution price does not violate the current NBBO. If unexecuted contracts remain from the initiating order, the order's size will be revised and the MBBO disseminated to reflect the order's remaining contracts.

The following example describes how the price protection will handle non-routable non-Market Maker orders. In this example, the non-routable order trades at multiple price-points on MIAX until it reaches the ABBO. The order is then managed as to avoid locking or crossing the ABBO. Subsequently, an incoming opposite side order trades with the managed order at the MIAX Book price.

EXAMPLE 7: PRICE PROTECTION-NON-ROUTABLE ORDER GETS MANAGED

Market	Bid	Ask
ABBO	1.00 (10)	1.12 (10)
Order 1		1.10 (10)
Order 2		1.12 (10)
Order 3		1.15 (10)
Order 4		1.16 (10)

- Order 5: Do Not Route Buy limit of 1.13 for 100 contacts with a price protection instruction of 3 MPVs
- NBBO at time of arrival = 1.00 (10) × 1.10 (10)
- Order 5 is price protected at 1.13 (which is 1.10 + 3 MPV = 1.13)
  - Order 5 trades 10 contracts with Order 1 @ 1.10
  - Order 5 trades 10 contracts with Order 2 @ 1.12
  - Order 5's remaining contracts are then displayed in the MIAX Bid @ 1.11 as to not lock the Away Best Offer of 1.12, but remain available to trade on the MIAX Book @ 1.12
- Order 6: Sell limit of 1.10 for 10 contracts
- Order 5 trades 10 contracts with Order 6 @ 1.12

Liquidity Refresh Pause

The Liquidity Refresh Pause, as proposed, will continue to operate in substantially the same manner as today, except where noted below. The Liquidity Refresh Pause will continue to apply in the following situation: (A) Either the initiating order is a limit order whose limit price crosses the NBBO or the initiating order is a market order, and the limit order or market order could only be partially executed; (B) a Market Maker quote was all or part of the MBBO when the MBBO is alone at the NBBO; and (C) and the Market Maker quote was exhausted. However, the Liquidity Refresh Pause mechanism, as proposed, will apply either upon receipt or reevaluation of an initiating order. This change is consistent with the new price protection functionality described above, which can allow an order to trade at multiple price-points—not just at the price-point of the NBBO upon the receipt of an order. Allowing orders to trade at multiple price-points necessitates a change in the language describing the Liquidity Refresh Pause as it too can apply at multiple price-points. Hence the proposed rule adopts the term ''reevaluation'' together with ''upon receipt,'' with the latter applying to the first price-point and the former applying to subsequent price-points.

The System will continue to broadcast a liquidity refresh message in largely the same manner as today. In addition to providing a description of the option and the size and side of the order, the Exchange proposes to include the exhausted MBBO price in the liquidity refresh message broadcast to subscribers of the Exchange's data feeds.[19] Consistent with this, the Exchange proposes to display the remainder of the initiating order at ''the exhausted MBBO price'' instead of ''the original NBBO price, which has been exhausted'' as currently described in Rule 515(c)(iii)(A). This change is consistent with the new price protection functionality described above which can allow an order to trade at multiple price-points—not just the original NBBO. Allowing orders to trade at multiple price-points necessitates a change in the language describing the Liquidity Refresh Pause message as the Liquidity Refresh Pause can apply at multiple price-points. Hence the proposed rule adopts the term ''the exhausted MBBO'' in place of ''the original NBBO'' because the latter seems only to apply to the first price-point while the former can apply to the first price-point and any other subsequent price-points.

The Exchange proposes amending the handling of new quotes or orders that arrive during a Liquidity Refresh Pause on the same side of the initiating order's remaining contracts, which locks or crosses the original NBBO. Currently, such orders are added to the MBBO and the Pause continues to run. The Exchange proposes that the Liquidity Refresh Pause terminate early and the System process all quotes and orders in the order in which they were received. The Exchange believes the termination of the Liquidity Pause in these scenarios necessary to allow the displayed opposite side of MBBO to receive an immediate execution. The initiating order and any new order(s) or quote(s) on the same side of the market received during the liquidity refresh pause will be processed in the order in which they were received. Thus, the initiating order will be executed first and any additional order(s) or quote(s) will be executed in order of receipt.

The Exchange proposes that if at the end of the Liquidity Refresh Pause all orders and quotes were not completely filled or cancelled, the System will reevaluate the order for execution pursuant to Rule 515 until exhausted. This change is consistent with the new price protection functionality described above which can allow an order to trade at multiple price-points.

Lastly, the Exchange proposes to amend how Immediate or Cancel (''IOC'') and Fill or Kill (''FOK'') orders interact with the Liquidity Refresh Pause. Currently, if the Exchange receives an Immediate or Cancel (''IOC'') or a Fill or Kill (''FOK'') order on the same side of the market as the initiating order's remaining contracts, the System will immediately cancel the IOC and FOK orders. The Exchange proposes to amend this so that if the Exchange receives an IOC or FOK order on the same side of the market as the initiating order's remaining contracts, the System will immediately cancel the IOC and FOK orders unless the IOC or

[19] The Exchange notes that broadcast message will be sent to subscribers of the Exchange's data feeds and not disseminated to OPRA, in the same manner as today. As such, this broadcast message itself does not qualify as a Protected Bid or Protected Offer. *See* Exchange Rule 1400(o).

FOK order on the same side of the market as the initiating order locks or crosses the opposite side NBBO, in which case the liquidity refresh pause will be terminated early. If the liquidity refresh pause was terminated due to the receipt of an IOC or FOK, the initiating order and any new order(s) or quote(s) on the same side of the market received during the liquidity refresh pause and the IOC or FOK will be processed in the order in which they were received, with the initiating order being processed first and the IOC or FOK being processed last.

The following example describes how the revised Liquidity Refresh Pause will operate in the price protection process. Specifically, this example shows how the System will reevaluate an order which can result in multiple Liquidity Refresh Pauses with the proposed flexibility of the price protection functionality which can allow executions at multiple price-points.

EXAMPLE 8: PRICE PROTECTION—MULTIPLE LIQUIDITY REFRESH PAUSES

Market	Bid	Ask
ABBO	1.00 (10)	1.14 (10)
PLMM	1.00 (10)	1.10 (10)
LMM 1	1.00 (10)	1.12 (10)
LMM 2	1.00 (10)	1.15 (10)
RMM 1	1.00 (10)	1.16 (10)

- Order 1: Buy limit of 1.13 for 100 contacts with a price protection instruction of 3 MPVs
- NBBO at time of arrival = 1.00 (50) × 1.10 (10)
- Order 1 is price protected at 1.13 (which is 1.10 + 3 MPV = 1.13)
  - Order 1 trades 10 contracts with PLMM @ 1.10
  - Liquidity Refresh Pause is triggered because the MBO of 1.10 was alone at NBBO and PLMM's 1.10 offer was exhausted
  - MBBO 1.10 (90) × 1.12 (10)
  - Liquidity Refresh message is broadcasted on the Exchange's data feeds: Buy 90 contracts, exhausted MBO of 1.10
  - Liquidity Refresh Pause expires
  - The System will reevaluate Order 1 pursuant to Rule 515 to trade, post, route, or cancel considering any updates to the away market quotes—assume for the example that there are no updates
  - Order 1 trades 10 contracts with LMM1 @ 1.12
  - Liquidity Refresh Pause is triggered because the MBO of 1.12 offer was alone at NBBO and LMM1's 1.12 offer was exhausted
  - MBBO 1.12 (80) × 1.15 (10)
  - Liquidity Refresh message is broadcasted on the Exchange's data feeds: Buy 80 contracts, exhausted MBO of 1.12
  - Liquidity Refresh Pause expires
  - The System will reevaluate Order 1 pursuant to Rule 515 to trade, post, route, or cancel considering any updates to the away market quotes—assume for the example that there are no updates
  - Order 1's remaining contracts are then placed on the MIAX Book @ 1.13 as Order 1 has reached its limit price of 1.13
  - MBBO 1.13 (80) × 1.15 (10)

The following examples describes how an order entered during the Liquidity Refresh Pause on the same side as the initiating order's remaining contracts at a price that locks the original NBBO will terminate the Liquidity Refresh Pause early.

EXAMPLE 9: SAME SIDE INTEREST TERMINATES THE LIQUIDITY REFRESH PAUSE EARLY

Market	Bid	Ask
ABBO	1.00 (10)	1.14 (10)
PLMM	1.00 (10)	1.10 (10)
LMM 1	1.00 (10)	1.12 (20)
LMM 2	1.00 (10)	1.15 (10)
RMM 1	1.00 (10)	1.16 (10)

- Order 1: Buy limit of 1.13 for 20 contacts with a price protection instruction of 3 MPVs
- NBBO at time of arrival = 1.00 (50) × 1.10 (10)
- Order 1 is price protected at 1.13 (which is 1.10 + 3 MPV = 1.13)
  - Order 1 trades 10 contracts with PLMM @ 1.10
  - Liquidity Refresh Pause is triggered because the MBO of 1.10 was alone at NBBO and PLMM's 1.10 offer was exhausted
  - MBBO 1.10 (10) × 1.12 (20)
  - Liquidity Refresh message is broadcasted on the Exchange's data feeds: Buy 10 contracts, exhausted MBO of 1.10 [20]
  - Order 2: Buy limit of 1.12 for 10 contracts
  - Liquidity Refresh Pause is terminated early upon the arrival of Order 2 because Order 2 is at a price that would lock the MBO of 1.12
  - Order 1 trades 10 contracts with LMM1 @ 1.12. Order 1 has been fully executed. Order 2 traded 10 contracts with LMM1 @ 1.12. Order 2 and LMM1's offer have been fully executed.
  - New MBBO: 1.00 (40) × 1.15 (10)

EXAMPLE 10: SAME SIDE INTEREST TERMINATES THE LIQUIDITY REFRESH PAUSE EARLY

Market	Bid	Ask
ABBO	1.00 (10)	1.14 (10)
PLMM	1.00 (10)	1.10 (10)
LMM 1	1.00 (10)	1.12 (10)
LMM 2	1.00 (10)	1.15 (10)
RMM 1	1.00 (10)	1.16 (10)

- Order 1: Buy limit of 1.13 for 20 contacts with a price protection instruction of 3 MPVs
- NBBO at time of arrival = 1.00 (50) × 1.10 (10)
- Order 1 is price protected at 1.13 (which is 1.10 + 3 MPV = 1.13)
  - Order 1 trades 10 contracts with PLMM @ 1.10
  - Liquidity Refresh Pause is triggered because the MBO of 1.10 was alone at NBBO and PLMM's 1.10 offer was exhausted
  - MBBO 1.10 (10) × 1.12 (10)
  - Liquidity Refresh message is broadcasted on the Exchange's data feeds: Buy 10 contracts, exhausted MBO of 1.10
  - Order 2: Buy limit of 1.12 for 10 contracts
  - Liquidity Refresh Pause is terminated early upon the arrival of Order 2 because Order 2 is at a price that would lock the MBO of 1.12
  - Order 1 trades 10 contracts with LMM1 @ 1.12. Order 1 gets priority over Order 2 as Order 1 was the initiating order. Order 1 has been fully executed and Order 2 is Booked
  - New MBBO: 1.12 (10) × 1.15 (10)

Handling of Immediate-or-Cancel (IOC) Orders

The Exchange also proposes amending Rule 515(e) to provide that market participants may designate price protection instructions on an order by order basis for IOC orders in the manner described in Rule 515(c)(1). Specifically, this includes: (i) Price protection instructions being expressed in units of MPV away from the NBBO at the time of the order's receipt, or the MBBO if the ABBO is crossing the MBBO; (ii) the default price protection being one MPV away from the NBBO at the time of receipt, or the MBBO if the ABBO is crossing the MBBO; and (iii) market participants being able to elect to disable price protection on an order by order basis. In addition, the Exchange

[20] Note that the pricing information contained in the Liquidity Refresh message (Buy 10 contracts, exhausted MBO of 1.10) corresponds to the MBB (1.10 (10)).

proposes that IOC orders would be allowed to trade at multiple prices not to exceed the IOC order's limit price or the order's price protection limit, provided the execution does not trade at a price inferior to the current ABBO. This change is consistent with the new price protection functionality described above which will allow orders to trade at multiple price-points until an order's limit price or price protection limit. The Exchange believes that market participants will benefit from the change as such IOC orders will be able to access more liquidity on the Exchange than current functionality that limits the IOC order to just one price-point.

Handling of Fill-or-Kill (''FOK'') Orders

The Exchange also proposes amending Rule 515(f) to provide that market participants may designate price protection instructions on an order by order basis for FOK orders in the manner described in Rule 515(c)(1). Specifically, this includes: (i) Price protection instructions being expressed in units of MPV away from the NBBO at the time of the order's receipt, or the MBBO if the ABBO is crossing the MBBO; (ii) the default price protection being one MPV away from the NBBO at the time of receipt, or the MBBO if the ABBO is crossing the MBBO; and (iii) market participants being able to elect to disable price protection on an order by order basis. In addition, the Exchange proposes that if an FOK order is fully executable against orders and quotes in the System and MIAX is at the NBBO when an FOK order is received or reevaluated after the termination of a liquidity refresh pause by the System, the System will execute the FOK order at the NBBO price or better and if the FOK order could not be executed in full at a single price, the FOK order is cancelled. If the MBBO is not at the NBBO at the time the FOK order is received or reevaluated after the termination of a liquidity refresh pause or the FOK order is not fully executable against any orders or quotes in the System, the FOK order will be immediately cancelled. Contracts remaining from an FOK order will not be eligible for automatic resubmission as a new order for Members who have instructed the Exchange in writing to re-enter remaining contracts. The Exchange believes that market participants will benefit from the change as such FOK orders will be provided with an additional opportunity, after the termination of a liquidity refresh pause, to access more liquidity on the Exchange than current functionality that limits the FOK order to just one opportunity upon receipt. The Exchange believes this necessary because an FOK order that arrives during a liquidity refresh pause and causes the liquidity refresh pause to terminate early may not be able to access the contra-side liquidity because it was not the initiating order. However, the FOK order may be able to execute with interest at the next price point on the Exchange after the termination of the liquidity refresh pause.

Finally, the Exchange proposes a technical modification to the language of Rule 515(f). Specifically, the Exchange proposes deleting the phrase ''contracts remaining from'' when discussing that FOK orders will not be eligible for automatic resubmission. The proposed revisions make it clear that the entirety of an FOK order is not eligible for resubmission as there cannot actually be contracts remaining from an FOK order, which by its definition will either be executed in its entirety or cancelled and can never receive a partial execution.

Interpretation and Policy .02

The Exchange proposes to add new Interpretation and Policy .02 to Rule 515 to codify how the managed interest is priced when there are multiple possible execution prices. Specifically, during the managed interest process, if managed interest becomes tradable at multiple price points on MIAX due to the ABBO transitioning from a crossed state to an uncrossed state, the midpoint of the MBBO, rounded up to the nearest MPV if necessary, will be used for the initial trade price. If locking or crossing interest remains, the next trade occurs at the Book price of the interest with lesser size. Trades will continue to occur until (a) all locking or crossing interest has been satisfied, (b) the ABBO is reached at which the interest will be managed according to subparagraph (c)(1)(ii), (c) the order's limit price with any remaining contracts being booked, or (d) the order's price protection limit at which any remaining contracts being canceled. This provision regarding midpoint pricing of the execution in this narrow scenario codifies existing functionality during the managed interest process, while updating the functionality to correspond with new price protection functionality described above. The Exchange believes that using the midpoint as the initial execution price in this situation promotes just and equitable principals for trade among parties to the execution.

EXAMPLE 11: MIDPOINT EXECUTION OF MANAGED INTEREST

Market	Bid	Ask
MIAX	1.00 (10)	1.20 (10)
MKT 1	1.00 (10)	1.10 (10)
MKT 2	1.15 (10)	1.20 (10)

- Order 1: Buy limit of 1.20 for 10 contacts with Do Not Route instructions
  - Order 1 cannot route to MKT1 because of its Do Not Route instructions
  - Order 1 will be placed on the MIAX Book @ 1.10, but displayed in the MIAX Bid @ 1.09 as to not lock MKT1's 1.10 ask
- Updated MBBO 2: 1.09 (10) × 1.20 (10)
- Order 2: Sell limit of 1.11 for 10 contracts with Do Not Route instructions
  - Order 2 cannot route to MKT2 because of its Do Not Route instructions
  - Order 2 cannot trade with Order 1 because Order 1 has been placed on the Book at a price of 1.10—which is both inferior to the NBB of 1.15 and below Order 2's limit price of 1.11
  - Order 2 will be placed on the MIAX Book @ 1.15, but displayed in the MIAX Ask @ 1.16 as to not lock MKT2's 1.15 bid
- Updated MBBO 3: 1.09 (10) × 1.16 (10)
- MKT1 and MKT2 display new quotes that no longer cross:
  - MKT 1: 1.00 (10) × 1.20 (10)
  - MKT 2: 1.00 (10) × 1.20 (10)
- MBBO 3 (1.09 (10) × 1.16 (10)) now represents the NBBO
  - Order 1 has been Booked at 1.10, but has an actual limit price of 1.20
  - Order 2 has been Booked at 1.15, but has an actual limit price of 1.11
  - Order 1's buy limit of 1.20 crosses Order 2's sell limit of 1.11 and the two orders can trade an multiple price points—anywhere from 1.11 up to 1.20
  - Order 1 and Order 2 trade 10 contracts at 1.13, which represents the midpoint of the MBBO (1.09 × 1.16 yields a 1.125 midpoint) rounded up to the nearest MPV (1.13)

Amendments to Rule 529

Currently the Exchange does not route Public Orders once they are resting on the book. The Exchange proposes to amend Rule 529 to provide that Public Customer orders resting on the book will not initiate a route timer, but may be routed with an incoming Public

Customer order that has initiated a Route Mechanism (''initiating order''). Specifically, if at the time of receipt of the initiating Public Customer order, the opposite side ABBO is also locking or crossing the same side MBBO, the System will immediately route the initiating Public Customer order, together with any routable interest resting at the same side MBBO, to the opposite side ABBO. The initiating Public Customer and any routable resting interest will be processed in the order in which they were received. The Exchange believes that this change will benefit Public Customers by allowing the Public Customer order to immediately access marketable liquidity available at an away market. The immediate routing of routable orders in this instance will also benefit the greater options market system as a whole, in that it may help to resolve undesirable crossed markets.

Technical Changes

Consistent with changes described above, the Exchange proposes deleting the current language in Rule 515(c) in whole to replace it with the new provisions described above. The Exchange believes that the language in current Rule 515(c) is repetitive and difficult to follow. In choosing to replace it with the language of proposed Rule 515(c) the Exchange hopes to produce a rule text sufficiently clear to provide members with a better understanding of Exchange functionality.

Additionally, the Exchange proposes technical amendments to Exchange Rule 516(b)(3), and 516(g) and Interpretation and Policy .04 to Rule 520 to accommodate the proposed movement of the language explaining the managed interest process from current Rule 515(c)(2) to proposed Rule 515(c)(1)(ii).

Because of the technology changes associated with this rule proposal, the Exchange will announce the implementation date of the proposal in a Regulatory Circular to be published no later than 30 days after the publication of the approval order in the **Federal Register**. The implementation date will be no later than 30 days following publication of the Regulatory Circular announcing publication of the approval order in the **Federal Register**.

2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act [21] in general, and furthers the objectives of Section 6(b)(5) of the Act [22] 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.

Specifically, the Exchange believes the proposed price protection functionality will remove impediments to and perfect the mechanism of a free and open market by providing members with greater flexibility and control over how orders interact with liquidity both on the Exchange and, if routable, on away markets. Instead of imposing a rigid one-size-fits-all price protection mechanism, the proposed functionality allows for customization and choice on the part of a member entering a non-Market Maker order. As proposed, the member can select how many price points beyond the NBBO at the time of the order's receipt the member would like the order to trade. This opens up the possibility of orders to trade on the Exchange and route to away markets at multiple price-points, instead of the more restrictive current maximum of two price-points. This proposal allows market participants to access greater liquidity both on the Exchange, thus benefiting Exchange members, and on away markets, thus benefiting the options market as a whole.

The Exchange believes that proposed changes to Rules 515, specifically the handlings of routable and non-routable orders addressed in this filing, are consistent with the stated goals of and necessary to achieve the proposed expansion of the price protection functionality. Allowing routable and non-routable orders to be reevaluated and trade at multiple price points will allow such orders to access greater liquidity and improve the mechanism of price discovery. Allowing routable orders to be routed away at multiple price points will benefit the options market as a whole as this will improve the chances of market participants at these other options exchanges of receiving an execution. This too will help improve the mechanism of price discovery.

The Exchange believes that the proposed changes to the Liquidity Refresh Pause mechanism addressed in this filing are consistent with the stated goals of and necessary to achieve the proposed expansion of the price protection functionality. Allowing the liquidity refresh pause mechanism to apply at multiple price points will help promote a fair and orderly market as the liquidity refresh pause allows MIAX participants to add liquidity and price stabilization. Allowing MIAX to display ''the exhausted MBBO'' in the liquidity refresh pause message will better inform MIAX participants regarding the price at which to supply additional liquidity and is necessary given a liquidity refresh pause mechanism that can apply at multiple price-points beyond ''the original NBBO.'' The Exchange believes that the change regarding terminating a liquidity refresh pause when a new quote or order is received during a Liquidity Refresh Pause on the same side of the market as the initiating order's remaining contracts that locks or crosses the original NBBO will protect the opposite side interest by allowing the opposite side interest to receive an execution.

The Exchange believes that permitting IOC orders to execute at multiple price-points removes a market impediment as this change will allow IOC orders to access additional liquidity on the Exchange, thus benefiting both the sender of the IOC and the members providing the additional liquidity.

The Exchange believes that permitting FOK orders the additional opportunity for an execution after causing a liquidity refresh pause to terminate early will allow FOK orders to access additional liquidity on the Exchange, thus benefiting both the sender of the FOK and the members providing the additional liquidity.

Finally, the Exchange believes that its proposed modifications to its Immediate Routing mechanism 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 by allowing the Public Customer order to immediately access marketable liquidity available at an away market in a manner that may help to resolve undesirable crossed markets.

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 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 functionality. As to inter-market competition, the Exchange notes proposed price protection functionality will benefit competing exchanges because routable orders will be eligible

[21] 15 U.S.C. 78f(b).

[22] 15 U.S.C. 78f(b)(5).

to route to away markets at multiple price-points instead of just the NBBO at the time of the receipt of the order. As to intra-market competition, the Exchange believes the proposal to be fair as it preserves price protection functionality for non-Market Maker orders. Market Maker orders and quotes have their own distinct functionality, which already includes the ability to trade at multiple price-points.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) By order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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 email to *rule-comments@sec.gov.* Please include File Number SR–MIAX–2014–08 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–2014–08. 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 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 Web site 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 such 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 publicly available. All submissions should refer to File Number SR–MIAX–2014–08 and should be submitted on or before March 27, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[23]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014–04920 Filed 3–5–14; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–71635; File No. SR–NYSEArca–2014–18]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Reflect Changes to the Means of Achieving the Investment Objective Applicable to the Newfleet Multi-Sector Income ETF

February 28, 2014.

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (the "Act")[2] and Rule 19b–4 thereunder,[3] notice is hereby given that, on February 26, 2014, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II 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 reflect changes to the means of achieving the investment objective applicable to the Newfleet Multi-Sector Income ETF (the "Fund"). The shares of the Fund are currently listed and traded on the Exchange under NYSE Arca Equities Rule 8.600. The text of the proposed rule change is available on the Exchange's Web site at *www.nyse.com,* at the principal office of the Exchange, 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 self-regulatory organization 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 those 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 parts of such statements.

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

1. Purpose

The Commission has approved listing and trading on the Exchange of shares ("Shares") of the Newfleet Multi-Sector Income ETF, which are offered by AdvisorShares Trust (the "Trust"),[4] under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares. The Shares of the Fund are currently listed and traded on the Exchange under NYSE Arca Equities Rule 8.600.

The Shares are offered by the Trust, a statutory trust organized under the laws of the State of Delaware and registered with the Commission as an

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[23] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

[4] *See* Securities Exchange Act Release No. 69061 (March 7, 2013), 78 FR 15990 (March 13, 2013) (SR–NYSEArca–2013–01) (order approving listing and trading on the Exchange of the Newfleet Multi-Sector Income ETF) ("Prior Order"). *See also* Securities Exchange Act Release No. 68666 (January 16, 2013), 78 FR 4960 (January 23, 2013) (SR–NYSEArca–2013–01) ("Prior Notice," and together with the Prior Order, the "Prior Release"). The Fund and the Shares are currently in compliance with the listing standards and other rules of the Exchange and the requirements set forth in the Prior Release.