OMB APPROVAL	
OMB Number:	3235-0045
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Required fields are shown with yellow backgrounds and asterisks.

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

File No.* SR - 2016 - * 28

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 *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☑	☐	☐	☐	☑	☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☑ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed rule change to amend the MIAX 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 * Richard Last Name * Rudolph

Title * Vice President and Senior Counsel

E-mail * rrudolph@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.

Date 08/11/2016

By Richard S. Rudolph

(Name *)

(Title *)

Vice President and Senior Counsel

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.

rrudolph@miami-holdings.com

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").

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

(b) 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 10, 2015. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the proposed rule change.

Questions and comments on the proposed rule change may be directed to Richard S. Rudolph, Vice President and Senior Counsel at (609) 897-1484.

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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 Section 1)b) of the Fee Schedule, Marketing Fee, to add to the list of symbols for which the Exchange assesses a $0.12 per contract Posted Liquidity Marketing Fee. In addition to the current symbols listed in Section 1)b), the Exchange is proposing to assess the Posted Liquidity Marketing Fee for contracts executed in DIA, FB, GDX, SLV, USO, UVXY, and VXX. The Exchange also proposes to assess the applicable per contract non-Market Maker transaction fees for executions in these new symbols, as described more fully below.

A Marketing Fee is assessed on certain transactions of all Market Makers.[3] Currently, Section 1) b) of the Fee Schedule provides that the Exchange will assess:

(i) 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. MIAX will not assess a Marketing Fee to Market Makers for contracts executed as a PRIME Agency Order, Contra-side Order, Qualified Contingent Cross Order, PRIME Participating Quote or Order, or a PRIME AOC Response in the PRIME Auction, unless it executes against an unrelated order.

(ii) an additional $0.12 per contract Posted Liquidity Marketing Fee to all Market Makers for any standard options overlying EEM, GLD, IWM, QQQ, and SPY that Market Makers execute in their assigned class when the contra-party to the execution is a Priority Customer and the Priority Customer order was posted on the MIAX Book at the time of the execution. MIAX

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3 See MIAX Fee Schedule, Section 1)b), entitled "Marketing Fee" for more detail regarding the Marketing Fee.

will not assess the additional Posted Liquidity Marketing Fee to Market Makers for contracts executed as a PRIME Agency Order, Contra-side Order, Qualified Contingent Cross Order, or a PRIME AOC Response or PRIME Participating Quote or Order in the PRIME Auction. MIAX will also not assess the additional Posted Liquidity Marketing Fee to Market Makers for contracts executed pursuant to a Liquidity Refresh Pause, route timer, or during the Opening Process. This Posted Liquidity Marketing Fee is in addition to the current Marketing Fee of $0.25 per contract for standard options overlying these enumerated symbols that Market Makers execute in their assigned class when the contra-party to the execution is a Priority Customer.[4]

Funds collected via the Marketing Fee, including the additional $0.12 per contract Posted Liquidity Marketing Fee, are put into "pools" controlled by Primary Lead Market Makers ("PLMMs")[5] and Lead Market Makers ("LMMs")[6]. So for example, the $0.12 per contract Posted Liquidity Marketing Fee goes into the broader Marketing Fee pool for the Directed LMM or the PLMM in EEM, GLD, IWM, QQQ or SPY, as applicable. The PLMM or LMM

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4 See Securities Exchange Act Release No. 73848 (December 16, 2014), 79 FR 76421 (December 22, 2014) (SR-MIAX-2014-62) (Notice of Filing and Immediate Effectiveness of MIAX Posted Liquidity Marketing Fee with respect to EEM, GLD, IWM, QQQ and SPY).

5 The term "Primary Lead Market Maker" means a Lead Market Maker appointed by the Exchange to act as the Primary Lead Market Maker for the purpose of making markets in securities traded on the Exchange. The Primary Lead Market Maker is vested with the rights and responsibilities specified in Chapter VI of these Rules with respect to Primary Lead Market Makers. See Exchange Rule 100.

6 The term "Lead Market Maker" means a Member registered with the Exchange for the purpose of making markets in securities traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter VI of these Rules with respect to Lead Market Makers. When a Lead Market Maker is appointed to act in the capacity of a Primary Lead Market Maker, the additional rights and responsibilities of a Primary Lead Market Maker specified in Chapter VI of these Rules will apply. See Exchange Rule 100.

controlling a certain pool of funds can then determine the Electronic Exchange Member(s) ("EEM")[7] 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.

The purpose of the Posted Liquidity Marketing Fee is to further encourage Members to post additional Priority Customer orders on the Exchange's Book in the enumerated high volume symbols. Increased Priority Customer orders on the Exchange's Book in these symbols provides for greater liquidity, which benefits all market participants on the Exchange. The Exchange now proposes to add to the following high volume symbols to its Posted Liquidity Marketing Fee program: DIA, FB, GDX, SLV, USO, UVXY, and VXX,[8] as reflected in the proposed amendments to Section 1)b) and Footnote 15 of the Fee Schedule. The practice of encouraging increased retail customer order flow in order to attract professional liquidity providers (Market Makers) is, and has been, commonly applied in the options markets. As such, marketing fee programs[9] and posting incentive programs[10] are based on attracting public customer order flow. Additional incentives intended to increase order flow in high volume symbols are, and have

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7 The term "Electronic Exchange Member" means the holder of a Trading Permit who is not a Market Maker. Electronic Exchange Members are deemed "members" under the Act. See Exchange Rule 100.

8 DIA, FB, GDX, SLV, USO, UVXY, and VXX had among the highest MIAX volume by class as reported by the Options Clearing Corporation ("OCC") for June 2016. See http://www.optionsclearing.com/webapps/volbyclass-reports?reportClass=miax.

9 See MIAX Fee Schedule, Section 1) b); Chicago Board Options Exchange, Incorporated ("CBOE") Fees Schedule, p. 4; NYSE Amex Options Fee Schedule, p. 7.

10 See NYSE Arca, Inc. ("Arca") Options Fees and Charges Schedule, page 5.

been, commonly offered in the options markets.[11] The proposed Posted Liquidity Marketing Fee with respect to high volume symbols DIA, FB, GDX, SLV, USO, UVXY, and VXX similarly is intended to attract Priority Customer order flow, which will increase liquidity, thereby providing greater trading opportunities and tighter spreads for other market participants and causing a corresponding increase in order flow from such other market participants. Increasing the number of orders sent to the Exchange will in turn provide tighter and more liquid markets, and therefore attract more business overall.

The Exchange also proposes to adopt the same additional $0.50 per contract transaction fee for options overlying DIA, FB, GDX, SLV, USO, UVXY, and VXX executed by non-MIAX Market Makers as currently applies to options overlying EEM, GLD, IWM, QQQ, and SPY executed by non-MIAX Market Makers as set forth in footnote 8, Section 1) a) ii) of the Fee Schedule.[12] The purpose of the proposed fee change is to assess the transaction fee for non-MIAX Market Makers in the new symbols (DIA, FB, GDX, SLV, USO, UVXY, and VXX) that are being added to the Exchange's Posted Liquidity Marketing Fee, in the same manner as the current symbols that are included in each fee.

b. <u>Statutory Basis</u>

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act[13] in general, and in particular, furthers the objectives of Section 6(b)(4) of the Act,[14] in that it is an

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11 <u>See</u> International Securities Exchange, LLC ("ISE") Schedule of Fees, p. 6 ; Arca Option Fees and Charges Schedule, p. 5.

12 <u>See</u> Securities Exchange Act Release No. 73850 (December 16, 2014), 79 FR 76424 (December 22, 2014) (SR-MIAX-2014-63) (Notice of Filing and Immediate Effectiveness of MIAX non-Market Maker Transaction Fee with respect to EEM, GLD, IWM, QQQ and SPY).

13 15 U.S.C. 78f(b).

14 15 U.S.C. 78f(b)(4).

equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities, and 6(b)(5) of the Act,[15] 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.

The proposed changes are designed to incentivize order flow providers to post additional Priority Customer orders in DIA, FB, GDX, SLV, USO, UVXY, and VXX options on the Exchange's Book. The proposed marketing fee rate is reasonable in that although it may result in a marketing fee that is slightly higher than similar marketing fee programs, it is still in the range of marketing fee programs on other competing exchanges which charge lower marketing fees for Penny Pilot options classes versus non-Penny Pilot options classes.[16] The proposed marketing fee is fair, equitable, and not unreasonably discriminatory because it will apply equally to all Market Makers that execute against Priority Customer orders in DIA, FB, GDX, SLV, USO, UVXY, and VXX options posted on the Exchange's Book. All similarly situated Market Makers that execute against Priority Customer orders in DIA, FB, GDX, SLV, USO, UVXY, and VXX options that are posted to the Exchange's Book are subject to the same marketing fee, and access to the Exchange is offered on terms that are not unfairly discriminatory. In addition, the proposal is equitable and not unfairly discriminatory because, while only posted Priority Customer order flow qualifies for the additional marketing fee, an increase in Priority Customer orders posted to the Exchange's Book will bring greater volume and liquidity as market participants compete to trade with the additional Priority Customer order

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15 15 U.S.C. 78f(b)(1) and (b)(5).

16 See CBOE Fees Schedule, p. 4; NYSE Amex Options Fee Schedule, p. 7.

flow, which benefits all market participants by providing more trading opportunities and tighter spreads. Market participants want to trade with Priority Customer order flow. To the extent the posting of Priority Customer orders on the Exchange's Book is increased by the proposal, market participants will increasingly compete for the opportunity to trade on the Exchange, including sending more orders and providing narrower and larger sized quotations in their effort to trade with such Priority Customer order flow. The resulting increased volume and liquidity will benefit non-Market Makers that do not pay the proposed fee and do not qualify for the marketing fee program at all, by providing more trading opportunities and tighter spreads as market participants increasingly compete by sending more orders and providing narrower and larger sized quotations in the effort to trade with such Priority Customer order flow. In addition, 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. The Exchange believes it is equitable to assess marketing fees on Market Makers and not non-Market Makers because the benefits of the marketing fee program flow to PLMM and Directed LMMs that can use the marketing fee funds to attract additional flow to the Exchange, which benefits Market Makers. An LMM could amass a greater pool of funds to use to incentivize order flow providers to send order flow to the Exchange. This increased order flow would benefit all market participants on the Exchange as well.

The Exchange believes that its proposal to assess the additional Posted Liquidity Marketing Fee for transactions in DIA, FB, GDX, SLV, USO, UVXY, and VXX options, and not other options classes, is consistent with other options markets that provide additional incentives to increase order flow in high volume symbols including assessing different marketing fees for Penny options classes as compared to non-Penny options classes.[17] The Exchange believes that establishing different pricing for DIA, FB, GDX, SLV, USO, UVXY, and VXX Penny Pilot options is reasonable, equitable, and not unfairly discriminatory because DIA, FB, GDX, SLV, USO, UVXY, and VXX options are more liquid options[18] as compared to other Penny Pilot options and the Exchange wants to provide incentive for order flow providers to send such orders to MIAX in order to increase trading opportunities and overall volume executed on the Exchange.

Further, the Exchange's proposed transaction fees for non-MIAX Market Makers in DIA, FB, GDX, SLV, USO, UVXY, and VXX are reasonable in order to ensure that the net transaction fees for non-MIAX Market Makers remain higher than Market Makers in a manner that is designed to encourage market participants to become members and register as Market Makers versus otherwise sending orders to the Exchange as a non-MIAX Market Maker in order to avoid a higher transaction fee.

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 proposal is designed to encourage an increase in Priority Customer orders in DIA, FB, GDX, SLV, USO, UVXY, and VXX options posted to the Exchange's Book in order to bring greater volume and liquidity, which benefit all market participants by providing more trading opportunities and tighter spreads. An increase in the submission of Priority Customer orders in DIA, FB, GDX, SLV, USO, UVXY, and VXX options on the Exchange's Book should result in an increase in

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17 See CBOE Fees Schedule, p. 4; NYSE Amex Options Fee Schedule, p. 7; ISE Schedule of Fees, p. 13; NYSE Arca Options Fees and Charges Schedule, p. 5.

18 See supra note 8.

competition for the opportunity to trade on the Exchange by, among other things, sending more orders and providing narrower and larger sized quotations in the effort to trade with such Priority Customer order flow. The resulting increased volume and liquidity will benefit non-Market Makers that do not pay the proposed fee and do not qualify for the marketing fee program at all, by providing more trading opportunities and tighter spreads.

To the extent that there is additional competitive burden on market participants that are not Priority Customers or Market Makers or trading in other symbols, the Exchange believes that this is appropriate because the proposal should encourage Members to direct additional order flow to the Exchange and thus provide additional liquidity that enhances the quality of its markets and increases the volume of contracts traded on the Exchange. The Exchange believes that all of the Exchange's market participants will benefit from the improved market liquidity. Enhanced market quality and increased transaction volume that results from the anticipated increase in order flow directed to the Exchange will benefit all market participants and improve competition on the Exchange.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow to the Exchange. The Exchange believes that the proposed rule change reflects this competitive environment because it establishes a fee structure in a manner that encourages market participants to direct their order flow, to provide liquidity, and to attract additional transaction volume to the Exchange.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,[19] and Rule 19b-4(f)(2) thereunder,[20] 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.

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

As described in detail above, the proposed rule change is based in part on the fee schedules of CBOE; NYSE Amex; ISE; and NYSE Arca.[21]

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.

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19 15 U.S.C. 78s(b)(3)(A)(ii).

20 17 CFR 240.19b-4(f)(2).

21 See supra notes 9, 10, 11, 16 and 17.

11. Exhibits

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

5. Applicable section of MIAX Options Fee Schedule.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-MIAX-2016-28)

August__, 2016

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange LLC to Amend Its 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 August 11, 2016, 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").

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 on the proposed rule change. The text of these statements may be examined at the places specified

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

2 17 CFR 240.19b-4.

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

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

1. Purpose

The Exchange proposes to amend Section 1)b) of the Fee Schedule, Marketing Fee, to add to the list of symbols for which the Exchange assesses a $0.12 per contract Posted Liquidity Marketing Fee. In addition to the current symbols listed in Section 1)b), the Exchange is proposing to assess the Posted Liquidity Marketing Fee for contracts executed in DIA, FB, GDX, SLV, USO, UVXY, and VXX. The Exchange also proposes to assess the applicable per contract non-Market Maker transaction fees for executions in these new symbols, as described more fully below.

A Marketing Fee is assessed on certain transactions of all Market Makers.[3] Currently, Section 1) b) of the Fee Schedule provides that the Exchange will assess:

(i) 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. MIAX will not assess a Marketing Fee to Market Makers for contracts executed as a PRIME Agency Order, Contra-side Order, Qualified Contingent Cross Order, PRIME Participating Quote or Order, or a PRIME AOC Response in the PRIME Auction, unless it executes against an unrelated order.

(ii) an additional $0.12 per contract Posted Liquidity Marketing Fee to all Market Makers for any standard options overlying EEM, GLD, IWM, QQQ, and SPY that Market Makers execute in their assigned class when the contra-party to the execution is a Priority Customer and

3 See MIAX Fee Schedule, Section 1)b), entitled "Marketing Fee" for more detail regarding the Marketing Fee.

the Priority Customer order was posted on the MIAX Book at the time of the execution. MIAX will not assess the additional Posted Liquidity Marketing Fee to Market Makers for contracts executed as a PRIME Agency Order, Contra-side Order, Qualified Contingent Cross Order, or a PRIME AOC Response or PRIME Participating Quote or Order in the PRIME Auction. MIAX will also not assess the additional Posted Liquidity Marketing Fee to Market Makers for contracts executed pursuant to a Liquidity Refresh Pause, route timer, or during the Opening Process. This Posted Liquidity Marketing Fee is in addition to the current Marketing Fee of $0.25 per contract for standard options overlying these enumerated symbols that Market Makers execute in their assigned class when the contra-party to the execution is a Priority Customer.[4]

Funds collected via the Marketing Fee, including the additional $0.12 per contract Posted Liquidity Marketing Fee, are put into "pools" controlled by Primary Lead Market Makers ("PLMMs")[5] and Lead Market Makers ("LMMs")[6]. So for example, the $0.12 per contract Posted Liquidity Marketing Fee goes into the broader Marketing Fee pool for the Directed LMM

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4 See Securities Exchange Act Release No. 73848 (December 16, 2014), 79 FR 76421 (December 22, 2014) (SR-MIAX-2014-62) (Notice of Filing and Immediate Effectiveness of MIAX Posted Liquidity Marketing Fee with respect to EEM, GLD, IWM, QQQ and SPY).

5 The term "Primary Lead Market Maker" means a Lead Market Maker appointed by the Exchange to act as the Primary Lead Market Maker for the purpose of making markets in securities traded on the Exchange. The Primary Lead Market Maker is vested with the rights and responsibilities specified in Chapter VI of these Rules with respect to Primary Lead Market Makers. See Exchange Rule 100.

6 The term "Lead Market Maker" means a Member registered with the Exchange for the purpose of making markets in securities traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter VI of these Rules with respect to Lead Market Makers. When a Lead Market Maker is appointed to act in the capacity of a Primary Lead Market Maker, the additional rights and responsibilities of a Primary Lead Market Maker specified in Chapter VI of these Rules will apply. See Exchange Rule 100.

or the PLMM in EEM, GLD, IWM, QQQ or SPY, as applicable. The PLMM or LMM controlling a certain pool of funds can then determine the Electronic Exchange Member(s) ("EEM")[7] 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.

The purpose of the Posted Liquidity Marketing Fee is to further encourage Members to post additional Priority Customer orders on the Exchange's Book in the enumerated high volume symbols. Increased Priority Customer orders on the Exchange's Book in these symbols provides for greater liquidity, which benefits all market participants on the Exchange. The Exchange now proposes to add to the following high volume symbols to its Posted Liquidity Marketing Fee program: DIA, FB, GDX, SLV, USO, UVXY, and VXX,[8] as reflected in the proposed amendments to Section 1)b) and Footnote 15 of the Fee Schedule. The practice of encouraging increased retail customer order flow in order to attract professional liquidity providers (Market Makers) is, and has been, commonly applied in the options markets. As such, marketing fee programs[9] and posting incentive programs[10] are based on attracting public customer order flow. Additional incentives intended to increase order flow in high volume symbols are, and have

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7 The term "Electronic Exchange Member" means the holder of a Trading Permit who is not a Market Maker. Electronic Exchange Members are deemed "members" under the Act. See Exchange Rule 100.

8 DIA, FB, GDX, SLV, USO, UVXY, and VXX had among the highest MIAX volume by class as reported by the Options Clearing Corporation ("OCC") for June 2016. See http://www.optionsclearing.com/webapps/volbyclass-reports?reportClass=miax.

9 See MIAX Fee Schedule, Section 1) b); Chicago Board Options Exchange, Incorporated ("CBOE") Fees Schedule, p. 4; NYSE Amex Options Fee Schedule, p. 7.

10 See NYSE Arca, Inc. ("Arca") Options Fees and Charges Schedule, page 5.

been, commonly offered in the options markets.[11] The proposed Posted Liquidity Marketing Fee with respect to high volume symbols DIA, FB, GDX, SLV, USO, UVXY, and VXX similarly is intended to attract Priority Customer order flow, which will increase liquidity, thereby providing greater trading opportunities and tighter spreads for other market participants and causing a corresponding increase in order flow from such other market participants. Increasing the number of orders sent to the Exchange will in turn provide tighter and more liquid markets, and therefore attract more business overall.

The Exchange also proposes to adopt the same additional $0.50 per contract transaction fee for options overlying DIA, FB, GDX, SLV, USO, UVXY, and VXX executed by non-MIAX Market Makers as currently applies to options overlying EEM, GLD, IWM, QQQ, and SPY executed by non-MIAX Market Makers as set forth in footnote 8, Section 1) a) ii) of the Fee Schedule.[12] The purpose of the proposed fee change is to assess the transaction fee for non-MIAX Market Makers in the new symbols (DIA, FB, GDX, SLV, USO, UVXY, and VXX) that are being added to the Exchange's Posted Liquidity Marketing Fee, in the same manner as the current symbols that are included in each fee.

2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act[13] in general, and in particular, furthers the objectives of Section 6(b)(4) of the Act,[14] in that it is an

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11 See International Securities Exchange, LLC ("ISE") Schedule of Fees, p. 6 ; Arca Option Fees and Charges Schedule, p. 5.

12 See Securities Exchange Act Release No. 73850 (December 16, 2014), 79 FR 76424 (December 22, 2014) (SR-MIAX-2014-63) (Notice of Filing and Immediate Effectiveness of MIAX non-Market Maker Transaction Fee with respect to EEM, GLD, IWM, QQQ and SPY).

13 15 U.S.C. 78f(b).

14 15 U.S.C. 78f(b)(4).

equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities, and 6(b)(5) of the Act,[15] 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.

The proposed changes are designed to incentivize order flow providers to post additional Priority Customer orders in DIA, FB, GDX, SLV, USO, UVXY, and VXX options on the Exchange's Book. The proposed marketing fee rate is reasonable in that although it may result in a marketing fee that is slightly higher than similar marketing fee programs, it is still in the range of marketing fee programs on other competing exchanges which charge lower marketing fees for Penny Pilot options classes versus non-Penny Pilot options classes.[16] The proposed marketing fee is fair, equitable, and not unreasonably discriminatory because it will apply equally to all Market Makers that execute against Priority Customer orders in DIA, FB, GDX, SLV, USO, UVXY, and VXX options posted on the Exchange's Book. All similarly situated Market Makers that execute against Priority Customer orders in DIA, FB, GDX, SLV, USO, UVXY, and VXX options that are posted to the Exchange's Book are subject to the same marketing fee, and access to the Exchange is offered on terms that are not unfairly discriminatory. In addition, the proposal is equitable and not unfairly discriminatory because, while only posted Priority Customer order flow qualifies for the additional marketing fee, an increase in Priority Customer orders posted to the Exchange's Book will bring greater volume and liquidity as market participants compete to trade with the additional Priority Customer order

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15 15 U.S.C. 78f(b)(1) and (b)(5).

16 See CBOE Fees Schedule, p. 4; NYSE Amex Options Fee Schedule, p. 7.

flow, which benefits all market participants by providing more trading opportunities and tighter spreads. Market participants want to trade with Priority Customer order flow. To the extent the posting of Priority Customer orders on the Exchange's Book is increased by the proposal, market participants will increasingly compete for the opportunity to trade on the Exchange, including sending more orders and providing narrower and larger sized quotations in their effort to trade with such Priority Customer order flow. The resulting increased volume and liquidity will benefit non-Market Makers that do not pay the proposed fee and do not qualify for the marketing fee program at all, by providing more trading opportunities and tighter spreads as market participants increasingly compete by sending more orders and providing narrower and larger sized quotations in the effort to trade with such Priority Customer order flow. In addition, 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. The Exchange believes it is equitable to assess marketing fees on Market Makers and not non-Market Makers because the benefits of the marketing fee program flow to PLMM and Directed LMMs that can use the marketing fee funds to attract additional flow to the Exchange, which benefits Market Makers. An LMM could amass a greater pool of funds to use to incentivize order flow providers to send order flow to the Exchange. This increased order flow would benefit all market participants on the Exchange as well.

The Exchange believes that its proposal to assess the additional Posted Liquidity Marketing Fee for transactions in DIA, FB, GDX, SLV, USO, UVXY, and VXX options, and not other options classes, is consistent with other options markets that provide additional incentives to increase order flow in high volume symbols including assessing different marketing fees for Penny options classes as compared to non-Penny options classes.[17] The Exchange believes that establishing different pricing for DIA, FB, GDX, SLV, USO, UVXY, and VXX Penny Pilot options is reasonable, equitable, and not unfairly discriminatory because DIA, FB, GDX, SLV, USO, UVXY, and VXX options are more liquid options[18] as compared to other Penny Pilot options and the Exchange wants to provide incentive for order flow providers to send such orders to MIAX in order to increase trading opportunities and overall volume executed on the Exchange.

Further, the Exchange's proposed transaction fees for non-MIAX Market Makers in DIA, FB, GDX, SLV, USO, UVXY, and VXX are reasonable in order to ensure that the net transaction fees for non-MIAX Market Makers remain higher than Market Makers in a manner that is designed to encourage market participants to become members and register as Market Makers versus otherwise sending orders to the Exchange as a non-MIAX Market Maker in order to avoid a higher transaction fee.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposal is designed to encourage an increase in Priority Customer orders in DIA, FB, GDX, SLV, USO, UVXY, and VXX options posted to the Exchange's Book in order to bring greater volume and liquidity, which benefit all market participants by providing more trading opportunities and tighter spreads. An increase in the submission of Priority Customer orders in DIA, FB, GDX, SLV, USO, UVXY, and VXX options on the Exchange's Book should result in an increase in competition for the opportunity to trade on the Exchange by, among other things,

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17 See CBOE Fees Schedule, p. 4; NYSE Amex Options Fee Schedule, p. 7; ISE Schedule of Fees, p. 13; NYSE Arca Options Fees and Charges Schedule, p. 5.

18 See supra note 8.

sending more orders and providing narrower and larger sized quotations in the effort to trade with such Priority Customer order flow. The resulting increased volume and liquidity will benefit non-Market Makers that do not pay the proposed fee and do not qualify for the marketing fee program at all, by providing more trading opportunities and tighter spreads.

To the extent that there is additional competitive burden on market participants that are not Priority Customers or Market Makers or trading in other symbols, the Exchange believes that this is appropriate because the proposal should encourage Members to direct additional order flow to the Exchange and thus provide additional liquidity that enhances the quality of its markets and increases the volume of contracts traded on the Exchange. The Exchange believes that all of the Exchange's market participants will benefit from the improved market liquidity. Enhanced market quality and increased transaction volume that results from the anticipated increase in order flow directed to the Exchange will benefit all market participants and improve competition on the Exchange.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow to the Exchange. The Exchange believes that the proposed rule change reflects this competitive environment because it establishes a fee structure in a manner that encourages market participants to direct their order flow, to provide liquidity, and to attract additional transaction volume to the Exchange.

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

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

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MIAX-2016-28 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-MIAX-2016-28. This file number should be included on the subject line if e-mail is used. To help the Commission process and

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19 15 U.S.C. 78s(b)(3)(A)(ii).

20 17 CFR 240.19b-4(f)(2).

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-2016-28 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.[21]

Brent J. Fields
Secretary

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[21] 17 CFR 200.30-3(a)(12).

Exhibit 5

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

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MIAX Options Fee Schedule

1) Transaction Fees

a) Exchange Fees

i) **No change.**

ii) **Other Market Participant Transaction Fees**

Types of Other Market Participants	Standard Options Transaction Fee (per executed contract)		Mini Options Transaction Fee (per executed contract)		These fees will apply to all option classes traded on MIAX
	Penny Classes	Non-Penny Classes	Penny Classes	Non-Penny Classes	
Priority Customer[3]	$ 0.00	$ 0.00	$ 0.000	$ 0.000	There is no fee assessed to an Electronic Exchange Member (an "EEM," as defined in MIAX Rule 100) that enters an order that is executed for the account of a Priority Customer.
Public Customer that is Not a Priority Customer	$ 0.47[4]	$ 0.75[5]	$ 0.05	$ 0.07	This fee is assessed to an EEM that enters an order that is executed for the account of a Public Customer[6] that does not meet the criteria for designation as a Priority Customer. This fee will also be charged to an EEM that enters an order for the account of a Public Customer that has elected to be treated as a Voluntary Professional.[7]

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3 The term "Priority Customer" means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). See Exchange Rule 100.

4 Any Member or its Affiliate that qualifies for Priority Customer Rebate Program volume tiers 3 or higher will be assessed $0.45 per contract for standard options.

5 Any Member or its Affiliate that qualifies for Priority Customer Rebate Program volume tiers 3 or higher will be assessed $0.73 per contract for standard options.

6 The term "Public Customer" means a person that is not a broker or dealer in securities. See Exchange Rule 100.

7 The term "Voluntary Professional" means any Public Customer that elects, in writing, to be treated in the same manner as a broker or dealer in securities for purposes of Rule 514, as well as the Exchange's schedule of fees. See Exchange Rule 100.

Types of Other Market Participants	Standard Options Transaction Fee (per executed contract)		Mini Options Transaction Fee (per executed contract)		These fees will apply to all option classes traded on MIAX
	Penny Classes	Non-Penny Classes	Penny Classes	Non-Penny Classes	
Non-MIAX Market Maker	$0.47[8]	$ 0.75[9]	$ 0.045	$ 0.07	This fee is assessed to an EEM that enters an order that is executed for the account of a non-MIAX market maker. A non-MIAX market maker is a market maker registered as such on another options exchange.
Non-Member Broker-Dealer	$ 0.47[10]	$ 0.75[11]	$ 0.045	$ 0.07	This fee is assessed to an EEM that enters an order that (i) is executed for the account of a non-Member Broker-Dealer, and (ii) is identified by the EEM for clearing in the Options Clearing Corporation ("OCC") "customer" range. A non-Member Broker-Dealer is a broker-dealer that is not a member of the OCC, and that is not registered as a Member at MIAX or another options exchange.
Firm	$ 0.45[12]	$ 0.75[13]	$ 0.04	$ 0.07	This fee is assessed to an EEM that enters an order that is executed for an account identified by the EEM for clearing in the OCC "Firm" range.

iii) **–vi) 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. MIAX will not assess a Marketing Fee to Market Makers for contracts executed as a PRIME Agency Order, Contra-side Order,

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8 Orders executed for the account of non-MIAX market makers will be assessed $0.50 per contract in options overlying DIA, EEM, FB, GDX, GLD, IWM, QQQ, SLV, [and] SPY, USO, UVXY and VXX. Any Member or its Affiliate that qualifies for Priority Customer Rebate Program volume tiers 3 or higher will be assessed $0.45 per contract for standard options in all options classes except for DIA, EEM, FB, GDX, GLD, IWM, QQQ, SLV,[and] SPY, USO, UVXY and VXX, which will be assessed $0.48 per contract.

9 Any Member or its Affiliate that qualifies for Priority Customer Rebate Program volume tiers 3 or higher will be assessed $0.73 per contract for standard options.

10 Any Member or its Affiliate that qualifies for Priority Customer Rebate Program volume tiers 3 or higher will be assessed $0.45 per contract for standard options.

11 Any Member or its Affiliate that qualifies for Priority Customer Rebate Program volume tiers 3 or higher will be assessed $0.73 per contract for standard options.

12 Any Member or its Affiliate that qualifies for Priority Customer Rebate Program volume tiers 3 or higher will be assessed $0.43 per contract for standard options.

13 Any Member or its Affiliate that qualifies for Priority Customer Rebate Program volume tiers 3 or higher will be assessed $0.73 per contract for standard options.

Qualified Contingent Cross Order, PRIME Participating Quote or Order or a PRIME AOC Response in the PRIME Auction; unless, it executes against an unrelated order.

MIAX will assess an additional $0.12 per contract Posted Liquidity Marketing Fee to all Market Makers for any standard options overlying DIA, EEM, FB, GDX, GLD, IWM, QQQ, SLV,[and] SPY, USO, UVXY and VXX that Market Makers execute in their assigned class when the contra-party to the execution is a Priority Customer and the Priority Customer order was posted on the MIAX Book at the time of the execution. MIAX will not assess the additional Posted Liquidity Marketing Fee to Market Makers for contracts executed as a PRIME Agency Order, Contra-side Order, Qualified Contingent Cross Order, or a PRIME AOC Response or PRIME Participating Quote or Order in the PRIME Auction. MIAX will also not assess the additional Posted Liquidity Marketing Fee to Market Makers for contracts executed pursuant to a Liquidity Refresh Pause, route timer, or during the Opening Process.

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 orders directed to PLMMs and LMMs, applicable Marketing Fees are allocated to the PLMM's or LMM's Marketing Fee "pool." For non-directed orders, 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.

Amount of Marketing Fee Assessed	**Option Classes**
$0.70 (per contract)	Transactions in Standard Option Classes that are not in the Penny Pilot Program
$0.25[15] (per contract)	Transactions in Standard Option Classes that are in the Penny Pilot Program (a List of those Standard Option Classes in the Penny Pilot Program is available on the MIAX Website)
$0.070 (per contract)	Transactions in Mini Options where the corresponding Standard Option is not in the Penny Pilot Program
$0.025 (per contract)	Transactions in Mini Options where the corresponding Standard Option is in the Penny Pilot Program (a List of those Standard Option Classes in the Penny Pilot Program is available on the MIAX Website)

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[15] As described in detail above, the Exchange will assess an additional $0.12 per contract Posted Liquidity Marketing Fee to all Market Makers for any standard options overlying DIA, EEM, FB, GDX, GLD, IWM, QQQ, SLV, [and] SPY, USO, UVXY, and VXX that Market Makers execute in their assigned class when the contra-party to the execution is a Priority Customer and the Priority Customer order was posted on the MIAX Book at the time of the execution.