SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-79146; File No. SR-MIAX-2016-36)

October 24, 2016

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

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934

("Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on October 14, 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 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 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 in

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

[2]   17 CFR 240.19b-4.

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 the Statutory Basis for, the Proposed Rule Change

1.   Purpose

The Exchange proposes to amend the Fee Schedule to reflect the addition of new features

to a number of existing interfaces and data feeds, and one new market data feed, as described

below, to support the trading of complex orders on the Exchange. The Exchange is not proposing

to adopt any new fees at this time and is simply proposing to state in the Fee Schedule that the

interfaces and data feeds listed below will support the trading of complex orders on MIAX

initially at no additional charge.

Background

The Exchange recently adopted new rules governing the trading in, and detailing the

functionality of the MIAX System[3] in the handling of, complex orders on the Exchange.[4] In

order to support the trading of complex orders on the Exchange, the Exchange is proposing to

expand several current interfaces and data feeds (for which a fee is presently charged) to include

complex orders in the current interfaces and data feeds and in the proposed new data feed. The

Exchange is not proposing to adopt new fees, and instead is proposing to enhance the current

interfaces and data feeds, and to introduce a new data feed, cToM (described below) to support

the trading of complex orders on the Exchange.

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

[4]   See Securities Exchange Act Release No. 79072 (October 7, 2016), 81 FR 71131 (October 14, 2016) (SR-MIAX-2016-26) (Order Approving a Proposed Rule Change to Adopt New Rules to Govern the Trading of Complex Orders).

<u>Interfaces</u>

The Exchange is proposing to include complex orders in its current interfaces to the System that enable Members to connect with the System for various uses. Specifically, the Exchange is proposing to enhance the MIAX Financial Information Exchange ("FIX") Port, the MIAX Express Interface ("MEI") Port, the MIAX Clearing Trade Drop ("CTD") Port, and the MIAX FIX Trade Drop ("FXD") Port (each described below) to support the trading of complex orders on MIAX. The Exchange is proposing to reflect this enhancement by adding new language to the Fee Schedule describing the application of these interfaces to complex orders.

<u>FIX Port</u>

The Financial Information Exchange ("FIX") Port[5] allows Members to electronically send orders in all products traded on the Exchange. Section 5)d)i) of the Fee Schedule currently provides that MIAX will assess monthly FIX Port Fees on Members in each month the Member is credentialed to use a FIX Port in the production environment and based upon the number of credentialed FIX Ports. The Exchange is proposing to amend Section 5)d)i) of the Fee Schedule to state clearly in footnote 25 that a FIX Port is an interface with MIAX systems that enables the Port user (typically an Electronic Exchange Member ("EEM")[6] or a Market Maker) to submit simple and complex orders electronically to MIAX.

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[5]   A FIX Port is an interface with MIAX systems that enables the Port user (typically an EEM or a Market Maker) to submit orders electronically to MIAX.

[6]   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. <u>See</u> Exchange Rule 100.

<u>MEI Port</u>

The MIAX Express Interface ("MEI")[7] Port, allows Market Makers to submit electronic quotes to the Exchange. Section 5)d)ii) of the Fee Schedule provides that MIAX will assess monthly MEI Port Fees on Market Makers in each month the Member has been credentialed to use the MEI Port in the production environment and has been assigned to quote in at least one class. The amount of the monthly MEI Port Fee is based upon the number of classes in which the Market Maker was assigned to quote on any given day within the calendar month, and upon various levels of class volume percentages.   In addition to its current features, the MEI Port will now include the identification of the complex strategies currently trading on MIAX. The Exchange is proposing to amend Section 5)d)ii) of the Fee Schedule to state clearly in footnotes 27, 28 and 29 that MIAX Express Interface is a connection to MIAX systems that enables Market Makers to submit simple and complex electronic quotes to MIAX; that Full Service MEI Ports provide Market Makers with the ability to send Market Maker simple and complex quotes, eQuotes, and quote purge messages to the MIAX System; and that Limited Service MEI Ports provide Market Makers with the ability to send simple and complex eQuotes and quote purge messages only, but not Market Maker Quotes, to the MIAX System.

<u>CTD Port</u>

The Clearing Trade Drop ("CTD") provides Exchange members with real-time clearing trade updates. The updates include the Member's clearing trade messages on a low latency, real-time basis. The trade messages are routed to a Member's connection containing certain information. The information includes, among other things, the following: (i) trade date and time; (ii) symbol information; (iii) trade price/size information; (iv) Member type (for example,

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[7]   MIAX Express Interface is a connection to MIAX systems that enables Market Makers to submit electronic quotes to MIAX.

and without limitation, Market Maker, EEM, Broker-Dealer); and (v) Exchange Member

Participant Identifier ("MPID") for each side of the transaction, including Clearing Member

MPID. CTD Port Fees are assessed in any month the Member is credentialed to use the CTD

Port in the production environment. The Exchange is proposing to state clearly in Section

5)d)iii) of the Fee Schedule that the CTD Port users will receive strategy specific information for

complex transactions.

FXD Port

The FIX Drop Copy Port ("FXD") is a messaging interface that provides a copy of real-

time trade execution, trade correction and trade cancellation information to FIX Drop Copy Port

users who subscribe to the service. FIX Drop Copy Port users are those users who are

designated by an EEM to receive the information and the information is restricted for use by the

EEM only. FXD Port Fees are assessed in any month the Member is credentialed to use the

FXD Port in the production environment. The Exchange is proposing to state clearly in Section

5)d)iv) of the Fee Schedule that the FXD is a messaging interface that will provide a copy of

real-time trade execution, trade correction and trade cancellation information for simple and

complex orders to FIX Drop Copy Port users who subscribe to the service. FXD Port users will

receive a copy of real-time trade execution, trade correction and cancellation information for

transactions in simple and complex orders on MIAX.

Market Data Feeds

The Exchange is also proposing to expand the scope of certain market data products to

include data relating to complex orders traded on the Exchange at no additional cost to

subscribers. Specifically, the Exchange is proposing to expand the MIAX Top of Market

("ToM") feed, the MIAX Order Feed ("MOR"), and the Administrative Information Subscriber

("AIS") data feeds, as described below, to include data for complex orders traded on MIAX.

MIAX ToM and cToM

MIAX Top of Market ("ToM") is a market data product that provides a direct data feed

that includes the Exchange's best bid and offer, with aggregate size, based on displayable order

and quoting interest on the Exchange. The ToM data feed includes data that is identical to the

data sent to the processor for the Options Price Reporting Authority ("OPRA").

The Exchange is proposing to provide complex order market data in a similar fashion by

way of a new market data product known as MIAX Complex Top of Market ("cToM"). The

cToM data feed is a separate new product that is complex order specific and is available to those

who wish to subscribe to it. cToM will provide subscribers with the same information as the

ToM market data product as it relates to the Strategy Book, i.e., the Exchange's best bid and

offer for a complex strategy, known as the "cMBBO," with aggregate size, based on displayable

order and quoting interest in the complex strategy on the Exchange.[8]

cToM will also contain a feature ("feature") that provides the number of Priority

Customer[9] contracts that are included in the size associated with the Exchange's best bid and

offer. This feature will be implemented on a date determined by the Exchange and

communicated to membership via Regulatory Circular. The Exchange will announce the

implementation date of the feature no later than 90 days after the publication of the Commission

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[8]   For a complete description of ToM, see Securities Exchange Act Release No. 69007
        (February 28, 2013), 78 FR 14617 (March 6, 2013) (SR-MIAX-2013-05).

[9]   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.

Order ("Order") approving the trading of complex orders on MIAX in the Federal Register.[10] The implementation date will be no later than 90 days following publication of the Regulatory Circular announcing publication of the approval Order in the Federal Register.

In addition, cToM will provide subscribers with the identification of the complex strategies currently trading on MIAX; complex strategy last sale information; and the status of securities underlying the complex strategy (e.g., halted, open, or resumed). As stated above, cToM is distinct from ToM, and anyone wishing to receive cToM data must subscribe to cToM regardless of whether they are a current ToM subscriber. ToM subscribers are not required to subscribe to cToM, and cToM subscribers are not required to subscribe to ToM. The cToM feed will be available initially at no cost, as reflected in the proposed changes to the table in Section 6)a) of the Fee Schedule.

AIS

The Exchange will include certain administrative information concerning complex orders to Administrative Information Subscribers ("AIS"). The AIS market data feed includes opening imbalance condition information; opening routing information; Expanded Quote Range information, as provided in MIAX Rule 503(f)(5); Post-Halt Notification, as provided in MIAX Rule 504(d); and Liquidity Refresh condition information, as provided in MIAX Rule 515(c)(2) (collectively, the "administrative information"). An AIS is a market participant that connects with the MIAX System for purposes of receiving the administrative information. Thus, an AIS that elects not to receive the top of market data through a subscription to cToM or act as a MIAX Market Maker will be able to receive the administrative information via connectivity to the

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[10] See supra note 4.

MIAX System through an AIS Port.[11] The Exchange proposes to enhance AIS to include

information concerning the commencement of a Complex Auction under the complex order

rules.[12] The addition of complex order information to the AIS data feed is a value-added feature

of AIS, and the Exchange proposes to state clearly in Section 6)b) of the Fee Schedule that the

AIS market data feed will include administrative information for simple and complex orders.

The fee for the AIS market data feed is currently waived for distributors that also subscribe to

ToM. The Exchange proposes to amend Section 6)b) of the Fee Schedule to provide that the AIS

market data feed is also waived if the distributor subscribes to cToM.

MOR

The Exchange proposes to include complex order information as an enhanced feature of

the MIAX Order Feed ("MOR") data product. MOR is a real-time full order book data feed that

provides information for orders on the MIAX Book. MOR will now also include the same

information regarding complex orders on the Strategy Book. MOR will provide real-time

information to enable users to keep track of the Strategy Book for all complex strategies traded

on MIAX. Specifically, MOR will now include information concerning the identification of

complex orders on the Strategy Book (as described in the proposal to establish rules for the

trading of complex orders on the Exchange).[13] MOR will provide real-time data including the

limit price, origin, and size of each order for the entire Strategy Book to its users and the

Exchange proposes to state clearly in Section 6)c) of the Fee Schedule that the AIS market data

feed will include administrative information for simple and complex orders.

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[11]   An AIS Port provides an AIS with the connectivity necessary to receive administrative
        information from the MIAX System. See Securities Exchange Act Release No. 73326
        (October 9, 2014), 79 FR 62233 (October 16, 2014)(SR-MIAX-2014-51).

[12]   See supra note 4.

[13]   See supra note 4.

2.   Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act[14]

in general, and furthers the objectives of Section 6(b)(4)[15] of the Act, in that it is designed to

provide for an equitable allocation of reasonable dues, fees and other charges among Exchange

Members and other persons using its facilities, because it applies equally to all Members and any

persons using the facilities or services of the Exchange.

In addition, the Exchange believes the proposed rule change also furthers the objectives

of Section 6(b)(5)[16] of the Act in particular, in that it is designed to prevent fraudulent and

manipulative acts and practices, to promote just and equitable principles of trade, to foster

cooperation and coordination with persons engaged in facilitating transactions in securities, to

remove impediments to and perfect the mechanisms of a free and open market and a national

market system and, in general, to protect investors and the public interest, and it is not designed

to permit unfair discrimination among customers, brokers, or dealers.

The proposed addition of complex order information to the various enumerated ports and

market data products are [sic] designed to promote just and equitable principles of trade by

providing MIAX participants with trading information and market data that should enable them

to make informed decisions concerning complex orders on the MIAX Exchange by using the

data provided by MIAX to assess market conditions that directly affect such decisions. The

proposal to include the value-added feature of complex order information to existing ports and

data products removes impediments to, and is designed to further perfect, the mechanisms of a

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[14]   15 U.S.C. 78f(b).

[15]   15 U.S.C. 78f(b)(4).

[16]   15 U.S.C. 78f(b)(5).

free and open market and a national market system by making the MIAX market, more transparent and accessible to market participants as MIAX begins to trade complex orders.

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 that is not necessary or appropriate in furtherance of the purposes of the Act. On the contrary, the Exchange believes that the addition of information concerning complex orders to the various ports and market data products will enhance inter-market competition by supplementing existing ports and data products with information concerning complex orders traded on MIAX. This transparency and access should enable MIAX to compete with other exchanges for order flow in complex orders in the options markets.

Additionally, respecting intra-market competition, the value-added features relating to complex orders in the various ports and data products are available to all subscribers at no additional cost, thus providing all subscribers to the ports and data products with an even playing field with respect to information and access to trade complex orders on MIAX.

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time

as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act[17] and Rule 19b-4(f)(6) thereunder.[18]

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days from the date of filing. However, pursuant to Rule 19b-4(f)(6)(iii),[19] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Such waiver will allow the Exchange to offer the features relating to the trading of complex orders that will be embedded in the Exchange's enumerated ports and market data products on the date that coincides with the projected October 24, 2016 launch of the trading of complex orders on the Exchange.[20] Accordingly, the Commission hereby waives the 30-day operative delay requirement and designates the proposed rule change as operative upon filing with the Commission.

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.

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[17] 15 U.S.C. 78s(b)(3)(A).

[18] 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[19] 17 CFR 240.19b-4(f)(6)(iii).

[20] For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-2016-36 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-MIAX-2016-36. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (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-2016-36, 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]

Robert W. Errett
Deputy Secretary

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