Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 68	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2016 - * 38
		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) * ☐

Rule

Pilot ☐	Extension of Time Period for Commission Action * ☐	Date Expires *	☐ 19b-4(f)(1) ☑ 19b-4(f)(2) ☐ 19b-4(f)(3)	☐ 19b-4(f)(4) ☐ 19b-4(f)(5) ☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 | Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 806(e)(1) * ☐	Section 806(e)(2) * ☐	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.

(Title *)

Date	10/21/2016	Vice President and Senior Counsel
By	Richard S. Rudolph	
	(Name *)	

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

rrudolph@miami-holdings.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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

Exhibit 1 - Notice of Proposed Rule Change *

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 *

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

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

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document
☐

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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

Partial Amendment

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

1.   **Text of 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 MIAX Options Fee Schedule is

attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2.   **Procedures of the Self-Regulatory Organization**

The proposed rule change was approved by senior management 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.

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

a.   Purpose

The Exchange proposes to amend its Fee Schedule to adopt fees and credits for

transactions involving complex orders. The Securities and Exchange Commission ("SEC" or

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

[2]   17 CFR 240.19b-4.

"Commission") recently approved Exchange rules[3] that authorize and govern the trading of complex orders[4] on MIAX utilizing the MIAX System[5]. Accordingly, the Exchange is proposing to adopt certain fees and credits that will apply to Exchange Members[6] for transactions involving complex orders. All complex order fees will be charged on a per contract per side basis.

Market Maker Transaction Fees

Section 1)a)i) of the Fee Schedule sets forth the Exchange's Market Maker Sliding Scale for Market Maker Transaction Fees (the "Sliding Scale"). The Sliding Scale assesses a per contract transaction fee on a Market Maker[7] for the execution of simple orders and quotes (collectively, "simple orders"). The amount of the transaction fee is based on the Market

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[3]   See Securities Exchange Act Release No. 79072(October 7, 2016), 81 FR 71131 (October 14, 2016)(SR-MIAX-2016-26).

[4]   A "complex order" is any order involving the concurrent purchase and/or sale of two or more different options in the same underlying security (the "legs" or "components" of the complex order), for the same account, in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00) and for the purposes of executing a particular investment strategy. A complex order can also be a "stock-option" order, which is an order to buy or sell a stated number of units of an underlying security coupled with the purchase or sale of options contract(s) on the opposite side of the market, subject to certain contingencies set forth in the proposed rules governing complex orders. See Securities Exchange Act Release No. 78620 (August 18, 2016), 81 FR 58770 (August 25, 2016)(SR-MIAX-2016-26).

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

[6]   The term "Member" means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

[7]   The term "Market Makers" refers to Lead Market Makers ("LMMs"), Primary Lead Market Makers ("PLMMs"), and Registered Market Makers ("RMMs") collectively. See Exchange Rule 100. A Directed Order Lead Market Maker ("DLMM") and Directed Primary Lead Market Maker ("DPLMM") is a party to a transaction being allocated to the LMM or PLMM and is the result of an order that has been directed to the LMM or PLMM. See Fee Schedule note 2.

Maker's percentage of total national market maker volume in an options class that trades on the

Exchange during a particular calendar month. The Sliding Scale applies to all Market Makers

for transactions in all products (except for mini-options, for which there are separate product

fees), with fees established for option classes in the Penny Pilot Program[8] ("penny option

classes") and separate fees for non-penny option classes.

The Exchange is proposing to use the same Sliding Scale structure to establish per

contract transaction fees for executions in complex orders. More specifically, the Exchange is

proposing to use the same tiers and percentage thresholds that it uses for the execution of simple

orders for the execution of complex orders and quotes (collectively, "complex orders"), and will

aggregate the volume executed by Market Makers in both simple orders and complex orders for

purposes of determining the applicable tier and corresponding per contract transaction fee

amount.[9]

Since the Exchange will aggregate the number of contracts executed in both simple

orders and complex orders in its calculation of the Market Maker's relevant tier, Market Maker

transaction fees in both simple orders and complex orders will be incrementally reduced once the

Market Maker reaches a higher tier. The Exchange believes that aggregating simple and

complex volume will provide a direct benefit to Market Makers, because it provides Market

Makers with enhanced potential to lower their incremental transaction fees on the Exchange.

Furthermore, it should encourage Market Makers to provide complex order liquidity on the

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[8]   See Securities Exchange Act Release No. 78080 (June 15, 2016), 81 FR 40377 (June 21, 2016)(SR-MIAX-2016-16).

[9]   The calculation of the volume thresholds does not include QCC Orders, PRIME AOC Responses, and PRIME Participating Quotes or Orders. For a discussion of these exclusions, see Securities Exchange Act Release No. 78299 (July 12, 2016), 81 FR 46734 (July 18, 2016)(SR-MIAX-2016-20).

Exchange because their executed volume in complex orders will enhance their ability to achieve

discounted transaction fees in simple orders.

Since the Exchange provides discounted transaction fees for Members and their qualified

Affiliates that achieve certain volume thresholds through the submission of Priority Customer[10]

orders under the Exchange's Priority Customer Rebate Program ("PCRP")[11], the Sliding Scale

contains two tables: one setting forth the transaction fees applicable to Members and their

Affiliates[12] that are in PCRP volume Tier 3 or higher; and the other setting forth the transaction

fees applicable to Members and their Affiliates that are not in PCRP volume Tier 3 or higher.

The Exchange is proposing to maintain that same, two table construct, and establish a per

contract transaction fee for complex orders per tier level. Although the proposed per transaction

fees for complex orders will be included in both tables (i.e., one for Members and their Affiliates

that are in PCRP volume Tier 3 or higher and the other for Members and their Affiliates that are

not in PCRP volume Tier 3 or higher), the per contract fees for complex orders will be the same

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[10]   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). A "Priority Customer
       Order" means an order for the account of a Priority Customer. See Exchange Rule 100.

[11]   Under the PCRP, MIAX credits each Member the per contract amount resulting from
       each Priority Customer order transmitted by that Member which is executed
       electronically on the Exchange in all multiply-listed option classes (excluding QCC
       Orders, mini-options, Priority Customer-to-Priority Customer Orders, PRIME AOC
       Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and
       Contra-side Order are Priority Customers, and executions related to contracts that are
       routed to one or more exchanges in connection with the Options Order Protection and
       Locked/Crossed Market Plan referenced in MIAX Rule 1400), provided the Member
       meets certain percentage thresholds in a month as described in the Priority Customer
       Rebate Program table. See Fee Schedule, Section (1)(a)(iii).

[12]   For purposes of the MIAX Options Fee Schedule, the term "Affiliate" means an affiliate
       of a Member of at least 75% common ownership between the firms as reflected on each
       firm's Form BD, Schedule A ("Affiliate"). See Fee Schedule note 1.

in each table. Furthermore, the Exchange is not proposing a different maker and taker fee in each tier for complex orders. Instead, the Exchange will assess one per contract fee for complex orders in each tier for penny option classes, and one per contract fee for complex orders in non-penny option classes, with a surcharge for removing liquidity, as described below. The Exchange believes that, with respect to transaction fees for complex orders, it is appropriate to distinguish between (and thus have different transaction fee amounts for) penny option classes and non-penny option classes, as is the case with the current Fee Schedule for transaction fees for simple orders. Accordingly, the Exchange is proposing separate per contract transaction fees for penny option classes and non-penny option classes for complex orders. Specifically, the Exchange would charge a Market Maker a per contract fee in penny option classes of: $0.25 in Tier 1, $0.19 in Tier 2, $0.12 in Tier 3, $0.07 in Tier 4, $0.05 in Tier 5. The Exchange would charge a Market Maker a per contract fee in non-penny option classes of: $0.29 in Tier 1, $0.23 in Tier 2, $0.16 in Tier 3, $0.11 in Tier 4, $0.09 in Tier 5.

The proposed Market Maker transaction fees are generally in line with the Market Maker transaction fees charged by other exchanges for executing complex orders.[13] The Exchange believes that the proposed transaction fees for complex orders are reasonable, and have been set at an initial level that is favorable to Market Makers and are designed to encourage Market Makers to provide complex order liquidity on the Exchange.

For simple orders, the Sliding Scale assesses a per contract transaction fee, which is based upon whether the Market Maker is a "maker" or a "taker."[14] As an incentive for Market

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[13]   See, e.g., CBOE Fees Schedule Options Transaction Fees; NASDAQ PHLX LLC ("Phlx") Pricing Schedule, Section II; International Securities Exchange LLC ("ISE") Schedule of Fees, Section II.

[14]   See Securities Exchange Act Release No. 78519 (August 9, 2016), 81 FR 54162 (August 15, 2016)(SR-MIAX-2016-21).

Makers to provide liquidity on the Exchange, the Exchange's "maker" fees are lower than the

"taker" fees. The Exchange is not proposing to distinguish between a "maker" and a "taker" for

complex order executions as it does in the traditional construct for simple orders. Rather, the

Exchange proposes to adopt a surcharge of $0.08 per executed contract for executions in

complex orders assessed to a Market Maker and all other market participants except Priority

Customers when it removes liquidity by trading against a Priority Customer order that is resting

on the Strategy Book.[15] Market Maker complex orders resting on the Strategy Book before

executing against a Priority Customer order would not be assessed the $0.08 per contract

surcharge, as reflected in the below tables. The Exchange believes that this $0.08 surcharge is a

reasonable alternative to the maker/taker pricing structure in place for simple orders, and is

substantially similar in structure and amount to a CBOE surcharge of the same type.[16]

All fees assessed under the Sliding Scale will be assessed on a per contract/per side basis.

The fees will apply to complex orders when those complex orders are matched against other

complex orders on the Strategy Book, and will also apply, to the complex side of the trade, when

they leg into and match against simple orders in the simple order book. Additionally, for the

avoidance of doubt, when legging into the simple order book, the contracts that were entered

directly in to the simple order book will be subject to all standard transaction fees, marketing

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[15]   The "Strategy Book" is the Exchange's electronic book of complex orders and complex
        quotes. See Exchange Rule 518(a)(17).

[16]   See CBOE Fees Schedule, Complex Taker Fee, and note 35. The Exchange notes that,
        although its base fee is slightly higher (with a similar complex fee approach), the
        Exchange believes that this is fair and equitable because the Exchange offers technology
        with unique risk mitigation features not available elsewhere, such as the Implied Away
        Best Bid or Offer ("ixABBO") Price Protection. See Exchange Rule 518.05(d).

fees, rebates, and credits, as set forth in the Exchange's Fee Schedule and as applicable to simple orders.

The revised Market Maker Sliding Scale tables proposed by the Exchange will be as follows (with new text underlined):

			Members and Their Affiliates[17] In Priority Customer Rebate Program Volume Tier 3 or Higher					
			Simple				Complex	
			Per Contract Fee For Penny Classes		Per Contract Fee For Non-Penny Classes				Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes
Tier		Percentage Thresholds	Maker *	Taker	Maker *	Taker	Per Contract Fee for Penny Classes	Per Contract Fee for Non-Penny Classes	
All MIAX Market Makers	1	0.00% - 0.075%	$0.21	$0.23	$0.25	$0.30	$0.25	$0.29	$0.08
	2	Above 0.075% - 0.60%	$0.15	$0.22	$0.19	$0.27	$0.19	$0.23	$0.08
	3	Above 0.60% - 1.00%	$0.08	$0.15	$0.12	$0.20	$0.12	$0.16	$0.08
	4	Above 1.00% - 1.50%	$0.04	$0.06	$0.08	$0.12	$0.07	$0.11	$0.08
	5	Above 1.50%	$0.02	$0.04	$0.06	$0.10	$0.05	$0.09	$0.08

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17   For purposes of the MIAX Options Fee Schedule, the term "Affiliate" means an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A ("Affiliate").

			Simple				Complex		
			Per Contract Fee For Penny Classes		**Per Contract Fee For Non-Penny Classes**				
	Tier	Percentage Thresholds	Maker *	Taker	Maker *	Taker	Per Contract Fee for Penny Classes	Per Contract Fee for Non-Penny Classes	Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes
	1	0.00% - 0.075%	$0.23	$0.25	$0.27	$0.32	$0.25	$0.29	$0.08
All MIAX Market Makers	2	Above 0.075% - 0.60%	$0.17	$0.24	$0.21	$0.29	$0.19	$0.23	$0.08
	3	Above 0.60% - 1.00%	$0.10	$0.17	$0.14	$0.22	$0.12	$0.16	$0.08
	4	Above 1.00% - 1.50%	$0.06	$0.08	$0.10	$0.14	$0.07	$0.11	$0.08
	5	Above 1.50%	$0.04	$0.06	$0.08	$0.12	$0.05	$0.09	$0.08

Members and Their Affiliates Not In Priority Customer Rebate Program Volume Tier 3 or Higher

Other Market Participant Transaction Fees

Section 1)a)ii) of the Fee Schedule sets forth, in a single table format, transaction fees for Other Market Participants, including Priority Customers, Public Customers[18] that are not Priority Customers, non-MIAX Market Makers, non-Member Broker-Dealers, and Firms[19] (the "Fee Table"). The Fee Table currently assesses on participants that are non-MIAX Market Makers a per contract transaction fee for simple order executions. The Fee Table applies to the listed participants for transactions in all products (except mini-options, for which there are separate product fees), with fees established for penny option classes and separate fees for non-penny option classes.

The Exchange is proposing to use the same Fee Table structure to establish per contract transaction fees for executions in complex orders. The Exchange is also proposing to assess the same per-contract transaction fee amounts that are set forth in the Fee Table for execution of simple orders for the execution of complex orders. Thus, as proposed, a participant would be charged the same fee per contract for executing a complex order as it would for executing a simple order for the same option class for the same participant type. Accordingly, the Exchange would charge a Member: $0.00 per contract per complex order executed in both penny option classes and non-penny option classes for a Priority Customer; $0.47 per contract per complex order executed in a penny option class for a Public Customer that is not a Priority Customer, for a non-MIAX Market Maker, and for a non-Member Broker-Dealer (and $0.75 per contract per complex order executed in a non-penny option class for each of those participant types); $0.45

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

[19]   A "Firm" fee is assessed on a MIAX Electronic Exchange Member "EEM" that enters an order that is executed for an account identified by the EEM for clearing in the Options Clearing Corporation ("OCC") "Firm" range. See Fee Schedule, Section 1)a)ii.

per contract per complex order executed in a penny option class for a Firm (and $0.75 per contract per complex order executed in a non-penny option class for a Firm). The Exchange believes that the proposed fees for complex orders are reasonable and appropriate because they apply to all similarly situated participants equally. The Exchange's proposal to assess the same fees for simple and complex orders to other market participants (listed in Section 1)a)ii of the Fee Schedule) for complex orders is reasonable and not unfairly discriminatory because the fees apply equally to all similarly situated market participants. Just as with the current fees assessed for simple orders in Section 1)a)ii, the PCRP tier discounts will not apply to these participants because Market Makers, who qualify for the discounts, have quoting and other obligations that these other market participants do not have, and the Exchange believes that the PCRP tier discounts are thus equitable and not unfairly discriminatory.

The Exchange also proposes to assess the same $0.08 per contract surcharge that it assesses on Market Makers for removing liquidity against a resting Priority Customer on the Strategy Book on other market participants, specifically: (i) Public Customers that are not Priority Customers; (ii) non-MIAX Market Makers; (iii) non-Member Broker-Dealers; and (iv) Firms. The purpose of this proposed surcharge is to encourage Members to add liquidity to the Strategy Book, and to recoup costs associated with the execution of complex orders on the Strategy Book. Moreover, the Exchange believes that the proposed fee structure may also narrow the MIAX Bid and Offer ("MBBO") on the Strategy Book because assessing the surcharge only on participants removing liquidity effectively subsidizes, and thus encourages, the posting of liquidity. The Exchange believes that this fee structure will also provide MIAX Market Makers with greater incentive to either match or improve upon the best price displayed

on the Strategy Book, all to the benefit of investors and the public in the form of improved execution prices.

The revised Fee Table proposed by the Exchange will be as follows:

Other Market Participant Transaction Fees

Types of Other Market Participants	Standard Options Transaction Fee for Simple and Complex Orders (per executed contract)		Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes	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	$0.00	$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	$0.75	$0.08	$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[20] 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.[21]

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

Types of Other Market Participants	Standard Options Transaction Fee for Simple and Complex Orders (per executed contract)		Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes	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	$0.75	$0.08	$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	$0.75	$0.08	$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	$0.75	$0.08	$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.

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[21]   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.

The Exchange currently offers a discount to the standard option transaction fees for simple orders for Members that qualify for the PCRP volume Tier 3 or higher. The Exchange is not proposing to offer that discount to the standard option transaction fees for complex orders. Thus, the Exchange is proposing to amend Footnotes 4, 5, and 8-13 in Section 1)a)ii) of the Fee Schedule to explicitly state that these discounts only apply for standard options in simple order executions. Additionally, pursuant to Footnote 8 of the Fee Schedule, the Exchange currently assesses Members a $0.48 per contract transaction fee (and a $0.50 per contract transaction fee for non-MIAX market makers) for transactions that occur on or after September 1, 2016 and extending through October 31, 2016 in options overlying EEM, GLD, IWM, QQQ, and SPY. The Exchange is not proposing to apply that transaction fee to complex orders. Thus, the Exchange is proposing to further amend Footnote 8 in Section 1)a)ii) of the Fee Schedule to explicitly state that such fees only apply for standard options in simple order executions.

Priority Customer Rebate Program

The Exchange also proposes to amend the PCRP contained in Section 1)a)iii) of the Fee Schedule by adopting per contract credits for complex orders. Currently, with respect to simple orders, the Exchange credits each Member the per contract amount set forth in the table below resulting from each Priority Customer order transmitted by that Member which is executed electronically on the Exchange in all multiply-listed option classes (excluding QCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, PRIME AOC Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Rule 1400), provided the Member meets certain volume thresholds in a month as

described below. The volume thresholds are calculated based on the customer average daily volume over the course of the month. Volume is recorded for and credits are delivered to the Member that submits the order to the Exchange. The Exchange proposes to extend this per contract credit to executions in complex orders.

The Exchange proposes to apply the same volume tier thresholds in the PCRP for complex orders that it currently applies to simple orders. In the same manner that the Exchange proposes to aggregate simple order volume and complex order volume of Market Makers towards the volume tiers in the Sliding Scale, the Exchange proposes to aggregate contract volume for both simple and complex orders in the calculation of the PCRP volume tier threshold applicable to each transaction, and to effect the same exclusions for transactions involving both simple and complex orders, as applicable, with respect to the PCRP volume tier calculation.[22]

The Exchange proposes to distinguish the amount of the proposed per contract credits in the PCRP for complex orders from the credits currently available to simple orders, except for Tier 1 transactions, for which there would be a $0.00 per contract credit for both simple and complex orders. The proposed per contract credits for complex orders would be: $0.21 for PCRP Tier 2 transactions; $0.24 for PCRP Tier 3 transactions, and $0.25 for PCRP Tier 4 transactions, respectively. The proposed per contract credits for complex orders are greater than the current per contract credits for simple orders. As a new entrant in the complex order

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[22]   MIAX excludes contracts executed as part of QCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, PRIME Agency Orders, PRIME AOC Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Rule 1400 from this calculation. See Fee Schedule Section 1)a)iii.

marketplace, the Exchange believes that it is appropriate to establish aggressive per contract

credits in order to attract order flow in this new segment of the Exchange.

For simple orders, the Exchange currently assesses different PCRP credit amounts for

executions in the MIAX Select Symbols[23] versus non-MIAX Select Symbols. The PCRP table

in the Fee Schedule will reflect these different credits in simple orders for MIAX Select Symbols

versus non-MIAX Select Symbols. The Exchange, however, does not believe it is necessary at

this time to distinguish the amount of the proposed PCRP credits for executions in the MIAX

Select Symbols versus non-MIAX Select Symbols for complex orders, and thus the per contract

credit for complex orders will be the same for transactions involving complex orders in both

MIAX Select Symbols and non-MIAX Select Symbols.

The Exchange is not proposing to establish at this time a price improvement mechanism

for complex orders, such as the Exchange has for simple orders, known as MIAX PRIME.[24]

Thus, the Exchange proposes to amend the narrative portion of Section 1)a)iii) to state that, for

each Priority Customer order submitted into a PRIME auction as a PRIME agency simple order,

MIAX shall credit each Member at the separate per contract rate for PRIME agency simple

orders; however, no rebates will be paid if the PRIME agency simple order executes against a

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[23]   The term "MIAX Select Symbols" means options overlying AA, AAL, AAPL, AIG,
         AMAT, AMD, AMZN, BA, BABA, BBRY, BIDU, BP, C, CAT, CBS, CELG, CLF,
         CVX, DAL, EBAY, EEM, FB, FCX, GE, GILD, GLD, GM, GOOGL, GPRO, HAL,
         HTZ, INTC, IWM, JCP, JNJ, JPM, KMI, KO, MO, MRK, NFLX, NOK, NQ, ORCL,
         PBR, PFE, PG, QCOM, QQQ, RIG, S, SPY, SUNE, T, TSLA, USO, VALE, VXX,
         WBA, WFC, WMB, WY, X, XHB, XLE, XLF, XLP, XOM, XOP and YHOO. See Fee
         Schedule note 14.

[24]   The MIAX Price Improvement Mechanism ("PRIME") is a process by which a Member
         may electronically submit for execution ("Auction") an order it represents as agent
         ("Agency Order") against principal interest. See Exchange Rule 515A.

contra-side order which is also a Priority Customer.   The purpose of this proposed amendment is

to explicitly state that these provisions apply only to simple orders, and not to complex orders.

The Exchange currently credits each MIAX "Qualifying Member"[25] $0.03 per contract

(except exclusions[26]) resulting from each Priority Customer order that falls within the PCRP

volume Tier 1, as set forth below. The Exchange believes that it is appropriate to extend this

credit to complex orders. Thus, the Exchange proposes to amend the narrative portion of Section

1)a)iii) to state that such credits will apply to both simple and complex order executions.

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[25]   A "Qualifying Member" is a Member or its Affiliate that qualifies for the Professional
         Rebate Program and achieves a volume increase in excess of 0.065% for Professional
         orders transmitted by that Member which are executed electronically on the Exchange in
         all multiply-listed option classes for the account(s) of a Professional and which qualify
         for the Professional Rebate Program during a particular month relative to the applicable
         Baseline Percentage (as defined under the Professional Rebate Program).

[26]   MIAX excludes contracts executed as part of QCC Orders, mini-options, Priority
         Customer-to-Priority Customer Orders, PRIME Agency Orders, PRIME AOC
         Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and
         Contra-side Order are Priority Customers, and executions related to contracts that are
         routed to one or more exchanges in connection with the Options Order Protection and
         Locked/Crossed Market Plan referenced in MIAX Rule 1400 from this credit. See Fee
         Schedule Section 1)a)iii.

The revised PCRP table proposed by the Exchange will be as follows:

Origin	Tier	Percentage Thresholds of National Customer Volume in Multiply-Listed Options Classes Listed on MIAX (Monthly)	Per Contract Credit for Simple Orders in non-MIAX Select Symbols	Per Contract Credit for Simple Orders in MIAX Select Symbols	Per Contract Credit for PRIME Agency Order	Per Contract Credit for Complex Orders
Priority Customer	1	0.00% - 0.50%	$0.00	$0.00	$0.10	$0.00
	2	Above 0.50% - 1.20%	$0.10	$0.10	$0.10	$0.21
	3	Above 1.20% - 1.75%	$0.15	$0.20	$0.10	$0.24
	4	Above 1.75%	$0.21	$0.24	$0.10	$0.25

Professional Rebate Program

Under the Professional Rebate Program ("PRP"), the Exchange credits each Member the per contract amount listed in the table below resulting from any contracts executed from an order submitted by a Member for the account(s) of a (i) Public Customer that is not a Priority Customer; (ii) non-MIAX Market Maker; (iii) non-Member Broker-Dealer; or (iv) Firm (for purposes of the Professional Rebate Program, "Professionals"). The Exchange proposes to amend Section 1)a)iv) of the Fee Schedule to include per contract credits for complex orders in the Exchange's PRP.

The PRP affords a per contract credit based upon the increase in the total volume submitted by a Member and executed for the account(s) of a Professional on MIAX (not including Excluded Contracts[27]) during a particular month as a percentage of the total volume

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[27]   Excluded Contracts are any contracts executed as mini-options, Non-Priority

reported by the Options Clearing Corporation ("OCC") in MIAX classes during the same month (the "Current Percentage"), less the total volume submitted by that Member and executed for the account(s) of a Professional on MIAX (not including Excluded Contracts), during the fourth quarter of 2015 as a percentage of the total volume reported by OCC in MIAX classes during the fourth quarter of 2015 (the "Baseline Percentage"). The Exchange proposes to use the same volume tier thresholds for complex orders that it currently uses for simple orders, and proposes the following per contract credits to Public Customers that are not a Priority Customer, or are a non-MIAX market maker, non-Member broker-dealer, or Firm: (i) $0.03 per contract for contracts executed in Tier 1; (ii) $0.05 per contract for contracts executed in Tier 2; and (iii) $0.07 per contract for contracts executed in Tier 3. The current credits for contracts that are part of simple orders will remain unchanged, and the amended table in Section 1)a)iv) will include separate columns, one indicating the credits applicable to contracts from simple orders, and the other indicating the credits applicable to contracts from complex orders. Additionally, proposed amended Section 1)a)iv) will include a clarifying statement that volume for transactions in both simple and complex orders will be aggregated to determine the appropriate volume tier threshold applicable to each transaction.

Customer-to-Non-Priority Customer Orders, QCC Orders, PRIME Orders, PRIME AOC Responses, PRIME Contra-side Orders, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Rule 1400.

The revised PRP table proposed by the Exchange will be as follows:

Professional Rebate Program

Type of Market Participants Eligible for Rebate	Tier	Percentage Thresholds of Volume Increase in Multiply-Listed Options (except Excluded Contracts) for the Current Month Compared to Fourth Quarter 2015	Per Contract Credit (except Excluded Contracts) for Simple Orders	Per Contract Credit (except Excluded Contracts) for Complex Orders
Public Customer that is Not a Priority Customer	1	Above 0.00% - 0.005%	$0.10	$0.03
Non-MIAX Market Maker Non-Member Broker-Dealer	2	Above 0.005% - 0.020%	$0.15	$0.05
Firm	3	Above 0.020%	$0.20	$0.07

Marketing Fee

Section 1)b) of the Fee Schedule describes Marketing Fees assessed on 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. The current Marketing Fees are: (i) $0.70 per contract for transactions in standard option classes ($0.070 per contract for transactions in mini options) that are not penny option classes; and (ii) $0.25 per contract for transactions in standard option classes ($0.025 per contract for transactions in mini options) that are penny option classes. The Exchange proposes to amend Section 1)b) to state that the Marketing Fee applies to contracts in simple and complex order executions, and that the Marketing Fee in complex order executions will be assessed per contract whether the transaction executes in the Strategy Book, a Complex Auction, or by Legging into the simple order book (i.e., regardless of how the complex contracts are executed).[28]

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[28]   For a discussion of these types of executions, see Securities Exchange Act Release No. 78620 (August 18, 2016), 81 FR 58770 (August 25, 2016)(SR-MIAX-2016-26).

The Exchange is not proposing to extend the Posted Liquidity Marketing Fee to contracts executed from complex orders. Currently, for transactions that occur on or after September 1, 2016 and extending through October 31, 2016, MIAX assesses 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 order book at the time of the execution. The Exchange proposes to amend Section 1)b) to state that the Posted Liquidity Marketing Fee applies only to contracts from simple order executions. The revised Marketing Fee table proposed by the Exchange will be as follows:

Amount of Marketing Fee Assessed	Option Classes
$0.70 (per contract)	Simple and complex order t[T]ransactions in Standard Option Classes that are not in the Penny Pilot Program
$0.25[29] (per contract)	Simple and complex order t[T]ransactions 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)	Simple and complex order t[T]ransactions in Mini Options where the corresponding Standard Option is not in the Penny Pilot Program
$0.025 (per contract)	Simple and complex order t[T]ransactions 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)

All other aspects of the Marketing Fee program of the Exchange will remain unchanged. The proposed rule changes are scheduled to become operative October 24, 2016.

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[29] Extending through October 31, 2016, the Exchange will assess an additional $0.12 per contract Posted Liquidity Marketing Fee to all Market Makers for any simple orders in 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.

b.   Statutory Basis

The Exchange believes that its proposal to amend its fee schedule is consistent with

Section 6(b) of the Act[30] in general, and furthers the objectives of Section 6(b)(4) of the Act,[31] in

that it is an equitable allocation of reasonable fees and other charges among Exchange members

and issuers and other persons using its facilities, and 6(b)(5) of the Act,[32] 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 fee structure is equitable and not unfairly discriminatory because all

similarly situated market participants are subject to the same fee and rebate structure for complex

order transactions, and access to the Exchange is offered on terms that are not unfairly

discriminatory. The inclusion of the number of contracts executed in both simple and complex

orders in the calculation of the Market Maker's monthly percentage threshold in Section 1)a)i) is

reasonable, equitable and not unfairly discriminatory because it provides a direct and equal fee

benefit to Market Makers that trade complex orders. All complex order volume executed will

count towards the monthly percentage thresholds required to receive the enumerated discounts in

both simple and complex transactions, thus benefiting all Market Makers equally. Furthermore,

it should encourage Market Makers to provide liquidity in complex orders on the Exchange

because their executed volume in complex orders will enhance their ability to achieve discounted

per contract transaction fees in transactions involving both simple and complex orders, thus

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[30]   15 U.S.C. 78f(b).

[31]   15 U.S.C. 78f(b)(4).

[32]   15 U.S.C. 78f(b)(1) and (b)(5).

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

The Exchange's proposal to assess per contract transaction fees to MIAX Market Makers for complex orders in penny option classes and non-penny option classes is reasonable and not unfairly discriminatory because it enhances the ability of Market Makers to achieve volume levels that qualify them for fees in the higher tiers, and equally rewards all Market Makers that achieve the tiers that include even further discounted per contract transaction fees. The amount of the fees in the tiers for complex orders are very similar to the amount of the fees in the tiers for simple orders, therefore the Exchange believes that fee amounts are reasonable and appropriate.

The Exchange's proposal to assess the same fees for simple and complex orders to other market participants (listed in Section 1)a)ii of the Fee Schedule) for complex orders is reasonable and not unfairly discriminatory because the fees apply equally to all similarly situated market participants. Just as with the current fees assessed for simple orders in Section 1)a)ii, the PCRP tier discounts will not apply to these participants because Market Makers, who qualify for the discounts, have quoting and other obligations that the listed other market participants do not have and the Exchange believes that the PCRP tier discounts are thus equitable and not unfairly discriminatory.

The Exchange believes that it is reasonable and not unfairly discriminatory to offer discounted fees to Market Makers in simple orders if they fall within PCRP volume Tier 3 or higher, while not discounting the per contract fees for complex orders regardless of their PCRP Tier level. While the Exchange has the ability to justify and determine the level of incentives with respect to simple orders, the Exchange believes it would be premature to offer additional

incentives and rewards to Market Makers above what the Exchange is offering until Market

Makers actually use the new and value-added complex order functionality. The Exchange will

better be able to determine if additional incentives or rewards are warranted, and if so at what

level, once Market Makers begin using the new functionality and have established a performance

baseline for complex orders.

The Exchange's proposal to offer certain credits for complex order transactions under the

PCRP and the PRP and to include contracts executed from both simple and complex transactions

in the calculation of the various percentage volume thresholds is intended to encourage

participants to submit more orders to the Exchange, thus enhancing liquidity and removing

impediments to and perfecting the mechanisms of a free and open market and a national market

system.

The Exchange notes that the proposed per contract credits for the PCRP are higher for

complex orders than they are for simple orders, and the per contract credits for the PRP are lower

for complex orders than they are for simple orders. The Exchange believes that this is equitable

and reasonable because the nature of the two rebate programs (PCRP and PRP) is fundamentally

different in structure and purpose.

On the one hand, the PCRP rewards executed Priority Customer volume from "contract-

one."[33] This structure is designed to enable the Exchange to compete with the multitude of

Priority Customer payment programs, such as maker-taker rebates and payment for order flow

programs that are established in the industry. By offering an aggressive incentive for Priority

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[33]   The Priority Customer rebate payment will be calculated from the first executed contract
         at the applicable threshold per contract credit with rebate payments made at the highest
         achieved volume tier for each contract traded in that month. See Fee Schedule, Section
         1)a)iii.

Customer volume beginning on day one, the Exchange believes it can best compete for order

flow in complex orders as soon as they become available on the Exchange.

On the other hand, the PRP credit is aimed at Professional volume executed on the

Exchange on an incremental basis. The PRP credit is based on a volume increase above and

beyond an established baseline. Because the trading of complex orders on the Exchange

represents new functionality and new volume to the Exchange, all complex order volume

executed on the Exchange is by its nature incremental. As such, the Exchange believes it is not

necessary to provide rewards at the same level to Professional complex orders that it provides for

Professional simple orders.

The Exchange's proposal to establish and assess a surcharge of $0.08 per contract for

Market Makers and other participants for removing liquidity by trading against a Priority

Customer order on the Strategy Book is consistent with Section 6(b)(4) of the Act[34] because it

applies equally to all participants that remove Priority Customer liquidity from the Strategy

Book, and does not apply to participants whose orders or quotes resting on the Strategy Book are

executed against Priority Customer complex orders on the Strategy Book. This incentive for

providing resting liquidity applies to all participants. Assessing the surcharge to market

participants who take liquidity from Priority Customers is reasonable and not unfairly

discriminatory because it will provide MIAX Market Makers with equal surcharges for removing

liquidity, and no surcharge for resting liquidity. As stated above, this is substantially similar to a

surcharge assessed on another exchange.[35] The Exchange notes that, although its base fee is

slightly higher (with a similar complex fee approach), the Exchange believes that this is fair and

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[34]   15 U.S.C. 78f(b)(4).

[35]   See supra note 16.

equitable because the Exchange offers technology with unique risk mitigation features not available elsewhere, such as the Implied Away Best Bid or Offer ("ixABBO") Price Protection. See Exchange Rule 518.05(d).

The Exchange's proposal to assess the $.08 surcharge is also consistent with Section 6(b)(5) of the Act[36] because it perfects the mechanisms of a free and open market and a national market system and protect investors and the public interest by encouraging participants to provide liquidity on the Strategy Book, which the Exchange believes is an important competitive tool that directly or indirectly can provide better prices for investors. The proposed fee structure may narrow the MIAX Bid and Offer ("MBBO") because not charging the $0.08 surcharge to participants with resting liquidity on the Strategy Book effectively subsidizes, and thus encourages, the posting of liquidity on MIAX. Giving greater incentive for Market Makers to either match or improve upon the best price displayed on MIAX benefits investors and the public by improving execution prices.

Non-Priority Customers, non-MIAX Market Makers, broker-dealers and Firms that use sophisticated trading systems will be able to remove liquidity quickly from the Strategy Book, and thus the Exchange believes that assessing the surcharge to participants who remove liquidity, and not assessing the surcharge to participants with complex orders resting on the Strategy Book is reasonable and not unfairly discriminatory. Moreover, the proposed surcharge is substantially similar to the surcharge on CBOE,[37] and has been accepted as not unfairly discriminatory under

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[36]   15 U.S.C. 78f(b)(1) and (b)(5).

[37]   See supra notes 16, 35.

the Act.[38] The Exchange believes for these reasons that the surcharge is equitable, reasonable

and not unfairly discriminatory, and thus consistent with the Act.

The proposed assessment of the Marketing Fee for all complex order transactions that are

executed by a Market Maker in their assigned classes when the contra-party to the trade is a

Priority Customer is equitable and not unfairly discriminatory because the fee will apply equally

to all Market Makers in their assigned classes. Further, the assessment of a Marketing Fee for

complex transactions is a common practice of other exchanges.[39] Attracting more order flow to

the Exchange will bring greater volume and liquidity which in turn benefits all market

participants by providing more trading opportunities and tighter spreads.

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

MIAX 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 believes that the proposed fee structure for complex order transactions is intended to

promote narrower spreads and greater liquidity at the best prices. The fee-based incentives for

market participants to provide liquidity by submitting complex orders to the Exchange, and

thereafter to improve the MBBO to ensure participation, should enable the Exchange to attract

order flow and compete with other exchanges which also provide such incentives to their market

participants for similar transactions.[40]

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[38]   See CBOE Fees Schedule Complex Taker Fee, (describing a per contract, per side
          surcharge at note 35); see also International Securities Exchange ("ISE") Schedule of
          Fees, Section II. ISE's fee structure does not include a specific "taker surcharge" in the
          same manner as CBOE (and which is also proposed by the Exchange) but instead
          includes a higher taker fee for complex transactions that remove liquidity from the
          complex order book.

[39]   See CBOE Fees Schedule, p. 4; see also Phlx Pricing Schedule, Section II.

[40]   See, e.g., Phlx Pricing Schedule, Section B (Customer Rebate Program).

The Exchange believes that increased complex order flow will bring greater volume and liquidity which in turn benefits all market participants by providing more trading opportunities and tighter spreads. Therefore, any potential effects that the adoption of the complex transaction fees may have on intra-market competition are justifiable due to the reasons stated above.

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. The Exchange believes that the proposed rule changes reflect this competitive environment because they modify the Exchange's fees in a manner that encourages market participants to provide liquidity and to send order flow 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,[41] and Rule 19b-4(f)(2) thereunder[42] 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.

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[41]   15 U.S.C. 78s(b)(3)(A)(ii).

[42]   17 CFR 240.19b-4.

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

The proposed rule change is based in part on the rules of other exchanges.[43] In addition, the Sliding Scale for Market Maker transaction fees is used by other exchanges.[44]

Other exchanges also charge Market Makers a reduced fee or provide them a rebate for adding liquidity and charge a higher fee to Market Makers who remove liquidity from the complex order book.[45] As stated above, unlike ISE which uses the "maker-taker" fee pricing model for its complex transactions, the Exchange is not proposing to establish a similar pricing model for its complex order transactions, but instead proposes to assess a taker surcharge to the market participants that remove liquidity from the complex order book, similar to the surcharge that CBOE assesses for non-customer complex transactions.[46] The Exchange additionally proposes to assess the same taker surcharge for removing liquidity against a Priority Customer order resting in the complex order book, which surcharge no other exchange currently assesses.

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

Not applicable.

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

Not applicable.

11.   Exhibits

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

5. Applicable Section of the MIAX Options Fee Schedule

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[43]   See supra notes 35, 38, 39, 40.

[44]   See CBOE Fee Schedule, p. 3; see also Phlx Pricing Schedule, Section II.

[45]   See supra notes 38, 40.

[46]   See supra note 38.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-   ; File No. SR-MIAX-2016-38)

October__, 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 to Adopt Fees and Credits for Transactions Involving Complex Orders

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 21, 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

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[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 its Fee Schedule to adopt fees and credits for

transactions involving complex orders. The Securities and Exchange Commission ("SEC" or

"Commission") recently approved Exchange rules[3] that authorize and govern the trading of

complex orders[4] on MIAX utilizing the MIAX System[5]. Accordingly, the Exchange is

proposing to adopt certain fees and credits that will apply to Exchange Members[6] for transactions

involving complex orders. All complex order fees will be charged on a per contract per side

basis.

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[3]   See Securities Exchange Act Release No. 79072(October 7, 2016), 81 FR 71131
        (October 14, 2016)(SR-MIAX-2016-26).

[4]   A "complex order" is any order involving the concurrent purchase and/or sale of two or
        more different options in the same underlying security (the "legs" or "components" of the
        complex order), for the same account, in a ratio that is equal to or greater than one-to-
        three (.333) and less than or equal to three-to-one (3.00) and for the purposes of
        executing a particular investment strategy. A complex order can also be a "stock-option"
        order, which is an order to buy or sell a stated number of units of an underlying security
        coupled with the purchase or sale of options contract(s) on the opposite side of the
        market, subject to certain contingencies set forth in the proposed rules governing
        complex orders. See Securities Exchange Act Release No. 78620 (August 18, 2016), 81
        FR 58770 (August 25, 2016)(SR-MIAX-2016-26).

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

[6]   The term "Member" means an individual or organization approved to exercise the trading
        rights associated with a Trading Permit. Members are deemed "members" under the
        Exchange Act. See Exchange Rule 100.

Market Maker Transaction Fees

Section 1)a)i) of the Fee Schedule sets forth the Exchange's Market Maker Sliding Scale

for Market Maker Transaction Fees (the "Sliding Scale"). The Sliding Scale assesses a per

contract transaction fee on a Market Maker[7] for the execution of simple orders and quotes

(collectively, "simple orders"). The amount of the transaction fee is based on the Market

Maker's percentage of total national market maker volume in an options class that trades on the

Exchange during a particular calendar month. The Sliding Scale applies to all Market Makers

for transactions in all products (except for mini-options, for which there are separate product

fees), with fees established for option classes in the Penny Pilot Program[8] ("penny option

classes") and separate fees for non-penny option classes.

The Exchange is proposing to use the same Sliding Scale structure to establish per

contract transaction fees for executions in complex orders. More specifically, the Exchange is

proposing to use the same tiers and percentage thresholds that it uses for the execution of simple

orders for the execution of complex orders and quotes (collectively, "complex orders"), and will

aggregate the volume executed by Market Makers in both simple orders and complex orders for

purposes of determining the applicable tier and corresponding per contract transaction fee

amount.[9]

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[7]   The term "Market Makers" refers to Lead Market Makers ("LMMs"), Primary Lead
       Market Makers ("PLMMs"), and Registered Market Makers ("RMMs") collectively. See
       Exchange Rule 100. A Directed Order Lead Market Maker ("DLMM") and Directed
       Primary Lead Market Maker ("DPLMM") is a party to a transaction being allocated to
       the LMM or PLMM and is the result of an order that has been directed to the LMM or
       PLMM. See Fee Schedule note 2.

[8]   See Securities Exchange Act Release No. 78080 (June 15, 2016), 81 FR 40377 (June 21,
       2016)(SR-MIAX-2016-16).

[9]   The calculation of the volume thresholds does not include QCC Orders, PRIME AOC
       Responses, and PRIME Participating Quotes or Orders. For a discussion of these
       exclusions, see Securities Exchange Act Release No. 78299 (July 12, 2016), 81 FR 46734
       (July 18, 2016)(SR-MIAX-2016-20).

Since the Exchange will aggregate the number of contracts executed in both simple

orders and complex orders in its calculation of the Market Maker's relevant tier, Market Maker

transaction fees in both simple orders and complex orders will be incrementally reduced once the

Market Maker reaches a higher tier. The Exchange believes that aggregating simple and

complex volume will provide a direct benefit to Market Makers, because it provides Market

Makers with enhanced potential to lower their incremental transaction fees on the Exchange.

Furthermore, it should encourage Market Makers to provide complex order liquidity on the

Exchange because their executed volume in complex orders will enhance their ability to achieve

discounted transaction fees in simple orders.

Since the Exchange provides discounted transaction fees for Members and their qualified

Affiliates that achieve certain volume thresholds through the submission of Priority Customer[10]

orders under the Exchange's Priority Customer Rebate Program ("PCRP")[11], the Sliding Scale

contains two tables: one setting forth the transaction fees applicable to Members and their

Affiliates[12] that are in PCRP volume Tier 3 or higher; and the other setting forth the transaction

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[10]   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). A "Priority Customer
         Order" means an order for the account of a Priority Customer. See Exchange Rule 100.

[11]   Under the PCRP, MIAX credits each Member the per contract amount resulting from
         each Priority Customer order transmitted by that Member which is executed
         electronically on the Exchange in all multiply-listed option classes (excluding QCC
         Orders, mini-options, Priority Customer-to-Priority Customer Orders, PRIME AOC
         Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and
         Contra-side Order are Priority Customers, and executions related to contracts that are
         routed to one or more exchanges in connection with the Options Order Protection and
         Locked/Crossed Market Plan referenced in MIAX Rule 1400), provided the Member
         meets certain percentage thresholds in a month as described in the Priority Customer
         Rebate Program table. See Fee Schedule, Section (1)(a)(iii).

[12]   For purposes of the MIAX Options Fee Schedule, the term "Affiliate" means an affiliate
         of a Member of at least 75% common ownership between the firms as reflected on each
         firm's Form BD, Schedule A ("Affiliate"). See Fee Schedule note 1.

fees applicable to Members and their Affiliates that are not in PCRP volume Tier 3 or higher.

The Exchange is proposing to maintain that same, two table construct, and establish a per

contract transaction fee for complex orders per tier level. Although the proposed per transaction

fees for complex orders will be included in both tables (i.e., one for Members and their Affiliates

that are in PCRP volume Tier 3 or higher and the other for Members and their Affiliates that are

not in PCRP volume Tier 3 or higher), the per contract fees for complex orders will be the same

in each table. Furthermore, the Exchange is not proposing a different maker and taker fee in

each tier for complex orders. Instead, the Exchange will assess one per contract fee for complex

orders in each tier for penny option classes, and one per contract fee for complex orders in non-

penny option classes, with a surcharge for removing liquidity, as described below. The

Exchange believes that, with respect to transaction fees for complex orders, it is appropriate to

distinguish between (and thus have different transaction fee amounts for) penny option classes

and non-penny option classes, as is the case with the current Fee Schedule for transaction fees

for simple orders. Accordingly, the Exchange is proposing separate per contract transaction fees

for penny option classes and non-penny option classes for complex orders. Specifically, the

Exchange would charge a Market Maker a per contract fee in penny option classes of: $0.25 in

Tier 1, $0.19 in Tier 2, $0.12 in Tier 3, $0.07 in Tier 4, $0.05 in Tier 5. The Exchange would

charge a Market Maker a per contract fee in non-penny option classes of: $0.29 in Tier 1, $0.23

in Tier 2, $0.16 in Tier 3, $0.11 in Tier 4, $0.09 in Tier 5.

The proposed Market Maker transaction fees are generally in line with the Market Maker

transaction fees charged by other exchanges for executing complex orders.[13] The Exchange

believes that the proposed transaction fees for complex orders are reasonable, and have been set

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[13]   See, e.g., CBOE Fees Schedule Options Transaction Fees; NASDAQ PHLX LLC
         ("Phlx") Pricing Schedule, Section II; International Securities Exchange LLC ("ISE")
         Schedule of Fees, Section II.

at an initial level that is favorable to Market Makers and are designed to encourage Market

Makers to provide complex order liquidity on the Exchange.

For simple orders, the Sliding Scale assesses a per contract transaction fee, which is

based upon whether the Market Maker is a "maker" or a "taker."[14] As an incentive for Market

Makers to provide liquidity on the Exchange, the Exchange's "maker" fees are lower than the

"taker" fees. The Exchange is not proposing to distinguish between a "maker" and a "taker" for

complex order executions as it does in the traditional construct for simple orders. Rather, the

Exchange proposes to adopt a surcharge of $0.08 per executed contract for executions in

complex orders assessed to a Market Maker and all other market participants except Priority

Customers when it removes liquidity by trading against a Priority Customer order that is resting

on the Strategy Book.[15] Market Maker complex orders resting on the Strategy Book before

executing against a Priority Customer order would not be assessed the $0.08 per contract

surcharge, as reflected in the below tables. The Exchange believes that this $0.08 surcharge is a

reasonable alternative to the maker/taker pricing structure in place for simple orders, and is

substantially similar in structure and amount to a CBOE surcharge of the same type.[16]

All fees assessed under the Sliding Scale will be assessed on a per contract/per side basis.

The fees will apply to complex orders when those complex orders are matched against other

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[14]   See Securities Exchange Act Release No. 78519 (August 9, 2016), 81 FR 54162 (August 15, 2016)(SR-MIAX-2016-21).

[15]   The "Strategy Book" is the Exchange's electronic book of complex orders and complex quotes. See Exchange Rule 518(a)(17).

[16]   See CBOE Fees Schedule, Complex Taker Fee, and note 35. The Exchange notes that, although its base fee is slightly higher (with a similar complex fee approach), the Exchange believes that this is fair and equitable because the Exchange offers technology with unique risk mitigation features not available elsewhere, such as the Implied Away Best Bid or Offer ("ixABBO") Price Protection. See Exchange Rule 518.05(d).

complex orders on the Strategy Book, and will also apply, to the complex side of the trade, when they leg into and match against simple orders in the simple order book. Additionally, for the avoidance of doubt, when legging into the simple order book, the contracts that were entered directly in to the simple order book will be subject to all standard transaction fees, marketing fees, rebates, and credits, as set forth in the Exchange's Fee Schedule and as applicable to simple orders.

The revised Market Maker Sliding Scale tables proposed by the Exchange will be as follows (with new text underlined):

Members and Their Affiliates[17] In Priority Customer Rebate Program Volume Tier 3 or Higher								
		Simple				Complex		
		Per Contract Fee For Penny Classes		Per Contract Fee For Non-Penny Classes				Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes
Tier	Percentage Thresholds	Maker *	Taker	Maker *	Taker	Per Contract Fee for Penny Classes	Per Contract Fee for Non-Penny Classes	
1	0.00% - 0.075%	$0.21	$0.23	$0.25	$0.30	$0.25	$0.29	$0.08
2	Above 0.075% - 0.60%	$0.15	$0.22	$0.19	$0.27	$0.19	$0.23	$0.08
3	Above 0.60% - 1.00%	$0.08	$0.15	$0.12	$0.20	$0.12	$0.16	$0.08
4	Above 1.00% - 1.50%	$0.04	$0.06	$0.08	$0.12	$0.07	$0.11	$0.08
5	Above 1.50%	$0.02	$0.04	$0.06	$0.10	$0.05	$0.09	$0.08

All MIAX Market Makers

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[17]   For purposes of the MIAX Options Fee Schedule, the term "Affiliate" means an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A ("Affiliate").

		Simple				Complex		
		Per Contract Fee For Penny Classes		Per Contract Fee For Non-Penny Classes				
Tier	Percentage Thresholds	Maker *	Taker	Maker *	Taker	Per Contract Fee for Penny Classes	Per Contract Fee for Non-Penny Classes	Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes
1	0.00% - 0.075%	$0.23	$0.25	$0.27	$0.32	$0.25	$0.29	$0.08
2	Above 0.075% - 0.60%	$0.17	$0.24	$0.21	$0.29	$0.19	$0.23	$0.08
3	Above 0.60% - 1.00%	$0.10	$0.17	$0.14	$0.22	$0.12	$0.16	$0.08
4	Above 1.00% - 1.50%	$0.06	$0.08	$0.10	$0.14	$0.07	$0.11	$0.08
5	Above 1.50%	$0.04	$0.06	$0.08	$0.12	$0.05	$0.09	$0.08

Table title (spanning top): **Members and Their Affiliates Not In Priority Customer Rebate Program Volume Tier 3 or Higher**

Row group label (left): **All MIAX Market Makers**

Other Market Participant Transaction Fees

Section 1)a)ii) of the Fee Schedule sets forth, in a single table format, transaction fees for Other Market Participants, including Priority Customers, Public Customers[18] that are not Priority

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

Customers, non-MIAX Market Makers, non-Member Broker-Dealers, and Firms[19] (the "Fee

Table"). The Fee Table currently assesses on participants that are non-MIAX Market Makers a

per contract transaction fee for simple order executions. The Fee Table applies to the listed

participants for transactions in all products (except mini-options, for which there are separate

product fees), with fees established for penny option classes and separate fees for non-penny

option classes.

The Exchange is proposing to use the same Fee Table structure to establish per contract

transaction fees for executions in complex orders. The Exchange is also proposing to assess the

same per-contract transaction fee amounts that are set forth in the Fee Table for execution of

simple orders for the execution of complex orders. Thus, as proposed, a participant would be

charged the same fee per contract for executing a complex order as it would for executing a

simple order for the same option class for the same participant type. Accordingly, the Exchange

would charge a Member: $0.00 per contract per complex order executed in both penny option

classes and non-penny option classes for a Priority Customer; $0.47 per contract per complex

order executed in a penny option class for a Public Customer that is not a Priority Customer, for

a non-MIAX Market Maker, and for a non-Member Broker-Dealer (and $0.75 per contract per

complex order executed in a non-penny option class for each of those participant types); $0.45

per contract per complex order executed in a penny option class for a Firm (and $0.75 per

contract per complex order executed in a non-penny option class for a Firm). The Exchange

believes that the proposed fees for complex orders are reasonable and appropriate because they

apply to all similarly situated participants equally. The Exchange's proposal to assess the same

fees for simple and complex orders to other market participants (listed in Section 1)a)ii of the

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19   A "Firm" fee is assessed on a MIAX Electronic Exchange Member "EEM" that
        enters an order that is executed for an account identified by the EEM for clearing in the
        Options Clearing Corporation ("OCC") "Firm" range. See Fee Schedule, Section 1)a)ii.

Fee Schedule) for complex orders is reasonable and not unfairly discriminatory because the fees

apply equally to all similarly situated market participants.   Just as with the current fees assessed

for simple orders in Section 1)a)ii, the PCRP tier discounts will not apply to these participants

because Market Makers, who qualify for the discounts, have quoting and other obligations that

these other market participants do not have, and the Exchange believes that the PCRP tier

discounts are thus equitable and not unfairly discriminatory.

The Exchange also proposes to assess the same $0.08 per contract surcharge that it

assesses on Market Makers for removing liquidity against a resting Priority Customer on the

Strategy Book on other market participants, specifically: (i) Public Customers that are not

Priority Customers; (ii) non-MIAX Market Makers; (iii) non-Member Broker-Dealers; and (iv)

Firms. The purpose of this proposed surcharge is to encourage Members to add liquidity to the

Strategy Book, and to recoup costs associated with the execution of complex orders on the

Strategy Book. Moreover, the Exchange believes that the proposed fee structure may also

narrow the MIAX Bid and Offer ("MBBO") on the Strategy Book because assessing the

surcharge only on participants removing liquidity effectively subsidizes, and thus encourages,

the posting of liquidity. The Exchange believes that this fee structure will also provide MIAX

Market Makers with greater incentive to either match or improve upon the best price displayed

on the Strategy Book, all to the benefit of investors and the public in the form of improved

execution prices.

The revised Fee Table proposed by the Exchange will be as follows:

Other Market Participant Transaction Fees

Types of Other Market Participants	Standard Options Transaction Fee for Simple and Complex Orders (per executed contract)		Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes	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	$0.00	$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	$0.75	$0.08	$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[20] 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.[21]

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

[21]   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 for Simple and Complex Orders (per executed contract)		Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes	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	$0.75	$0.08	$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	$0.75	$0.08	$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	$0.75	$0.08	$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.

The Exchange currently offers a discount to the standard option transaction fees for simple orders for Members that qualify for the PCRP volume Tier 3 or higher. The Exchange is not proposing to offer that discount to the standard option transaction fees for complex orders.

Thus, the Exchange is proposing to amend Footnotes 4, 5, and 8-13 in Section 1)a)ii) of the Fee Schedule to explicitly state that these discounts only apply for standard options in simple order executions. Additionally, pursuant to Footnote 8 of the Fee Schedule, the Exchange currently assesses Members a $0.48 per contract transaction fee (and a $0.50 per contract transaction fee for non-MIAX market makers) for transactions that occur on or after September 1, 2016 and extending through October 31, 2016 in options overlying EEM, GLD, IWM, QQQ, and SPY. The Exchange is not proposing to apply that transaction fee to complex orders. Thus, the Exchange is proposing to further amend Footnote 8 in Section 1)a)ii) of the Fee Schedule to explicitly state that such fees only apply for standard options in simple order executions.

Priority Customer Rebate Program

The Exchange also proposes to amend the PCRP contained in Section 1)a)iii) of the Fee Schedule by adopting per contract credits for complex orders. Currently, with respect to simple orders, the Exchange credits each Member the per contract amount set forth in the table below resulting from each Priority Customer order transmitted by that Member which is executed electronically on the Exchange in all multiply-listed option classes (excluding QCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, PRIME AOC Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Rule 1400), provided the Member meets certain volume thresholds in a month as described below. The volume thresholds are calculated based on the customer average daily volume over the course of the month. Volume is recorded for and credits are delivered to the Member that submits the order to the Exchange. The Exchange proposes to extend this per contract credit to executions in complex orders.

The Exchange proposes to apply the same volume tier thresholds in the PCRP for

complex orders that it currently applies to simple orders. In the same manner that the Exchange

proposes to aggregate simple order volume and complex order volume of Market Makers

towards the volume tiers in the Sliding Scale, the Exchange proposes to aggregate contract

volume for both simple and complex orders in the calculation of the PCRP volume tier threshold

applicable to each transaction, and to effect the same exclusions for transactions involving both

simple and complex orders, as applicable, with respect to the PCRP volume tier calculation.[22]

The Exchange proposes to distinguish the amount of the proposed per contract credits in

the PCRP for complex orders from the credits currently available to simple orders, except for

Tier 1 transactions, for which there would be a $0.00 per contract credit for both simple and

complex orders. The proposed per contract credits for complex orders would be: $0.21 for

PCRP Tier 2 transactions; $0.24 for PCRP Tier 3 transactions, and $0.25 for PCRP Tier 4

transactions, respectively. The proposed per contract credits for complex orders are greater than

the current per contract credits for simple orders. As a new entrant in the complex order

marketplace, the Exchange believes that it is appropriate to establish aggressive per contract

credits in order to attract order flow in this new segment of the Exchange.

For simple orders, the Exchange currently assesses different PCRP credit amounts for

executions in the MIAX Select Symbols[23] versus non-MIAX Select Symbols. The PCRP table

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[22]   MIAX excludes contracts executed as part of QCC Orders, mini-options, Priority
        Customer-to-Priority Customer Orders, PRIME Agency Orders, PRIME AOC
        Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and
        Contra-side Order are Priority Customers, and executions related to contracts that are
        routed to one or more exchanges in connection with the Options Order Protection and
        Locked/Crossed Market Plan referenced in MIAX Rule 1400 from this calculation. See
        Fee Schedule Section 1)a)iii.

[23]   The term "MIAX Select Symbols" means options overlying AA, AAL, AAPL, AIG,

in the Fee Schedule will reflect these different credits in simple orders for MIAX Select Symbols versus non-MIAX Select Symbols. The Exchange, however, does not believe it is necessary at this time to distinguish the amount of the proposed PCRP credits for executions in the MIAX Select Symbols versus non-MIAX Select Symbols for complex orders, and thus the per contract credit for complex orders will be the same for transactions involving complex orders in both MIAX Select Symbols and non-MIAX Select Symbols.

The Exchange is not proposing to establish at this time a price improvement mechanism for complex orders, such as the Exchange has for simple orders, known as MIAX PRIME.[24] Thus, the Exchange proposes to amend the narrative portion of Section 1)a)iii) to state that, for each Priority Customer order submitted into a PRIME auction as a PRIME agency simple order, MIAX shall credit each Member at the separate per contract rate for PRIME agency simple orders; however, no rebates will be paid if the PRIME agency simple order executes against a contra-side order which is also a Priority Customer.   The purpose of this proposed amendment is to explicitly state that these provisions apply only to simple orders, and not to complex orders.

The Exchange currently credits each MIAX "Qualifying Member"[25] $0.03 per contract (except exclusions[26]) resulting from each Priority Customer order that falls within the PCRP

AMAT, AMD, AMZN, BA, BABA, BBRY, BIDU, BP, C, CAT, CBS, CELG, CLF, CVX, DAL, EBAY, EEM, FB, FCX, GE, GILD, GLD, GM, GOOGL, GPRO, HAL, HTZ, INTC, IWM, JCP, JNJ, JPM, KMI, KO, MO, MRK, NFLX, NOK, NQ, ORCL, PBR, PFE, PG, QCOM, QQQ, RIG, S, SPY, SUNE, T, TSLA, USO, VALE, VXX, WBA, WFC, WMB, WY, X, XHB, XLE, XLF, XLP, XOM, XOP and YHOO. See Fee Schedule note 14.

[24]   The MIAX Price Improvement Mechanism ("PRIME") is a process by which a Member may electronically submit for execution ("Auction") an order it represents as agent ("Agency Order") against principal interest. See Exchange Rule 515A.

[25]   A "Qualifying Member" is a Member or its Affiliate that qualifies for the Professional Rebate Program and achieves a volume increase in excess of 0.065% for Professional orders transmitted by that Member which are executed electronically on the Exchange in all multiply-listed option classes for the account(s) of a Professional and which qualify

volume Tier 1, as set forth below. The Exchange believes that it is appropriate to extend this

credit to complex orders. Thus, the Exchange proposes to amend the narrative portion of Section

1)a)iii) to state that such credits will apply to both simple and complex order executions.

The revised PCRP table proposed by the Exchange will be as follows:

Origin	Tier	Percentage Thresholds of National Customer Volume in Multiply-Listed Options Classes Listed on MIAX (Monthly)	Per Contract Credit for Simple Orders in non-MIAX Select Symbols	Per Contract Credit for Simple Orders in MIAX Select Symbols	Per Contract Credit for PRIME Agency Order	Per Contract Credit for Complex Orders
Priority Customer	1	0.00% - 0.50%	$0.00	$0.00	$0.10	$0.00
	2	Above 0.50% - 1.20%	$0.10	$0.10	$0.10	$0.21
	3	Above 1.20% - 1.75%	$0.15	$0.20	$0.10	$0.24
	4	Above 1.75%	$0.21	$0.24	$0.10	$0.25

Professional Rebate Program

Under the Professional Rebate Program ("PRP"), the Exchange credits each Member the

per contract amount listed in the table below resulting from any contracts executed from an order

submitted by a Member for the account(s) of a (i) Public Customer that is not a Priority

Customer; (ii) non-MIAX Market Maker; (iii) non-Member Broker-Dealer; or (iv) Firm (for

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for the Professional Rebate Program during a particular month relative to the applicable
Baseline Percentage (as defined under the Professional Rebate Program).

[26]   MIAX excludes contracts executed as part of QCC Orders, mini-options, Priority
Customer-to-Priority Customer Orders, PRIME Agency Orders, PRIME AOC
Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and
Contra-side Order are Priority Customers, and executions related to contracts that are
routed to one or more exchanges in connection with the Options Order Protection and
Locked/Crossed Market Plan referenced in MIAX Rule 1400 from this credit. See Fee
Schedule Section 1)a)iii.

purposes of the Professional Rebate Program, "Professionals"). The Exchange proposes to

amend Section 1)a)iv) of the Fee Schedule to include per contract credits for complex orders in

the Exchange's PRP.

The PRP affords a per contract credit based upon the increase in the total volume

submitted by a Member and executed for the account(s) of a Professional on MIAX (not

including Excluded Contracts[27]) during a particular month as a percentage of the total volume

reported by the Options Clearing Corporation ("OCC") in MIAX classes during the same month

(the "Current Percentage"), less the total volume submitted by that Member and executed for the

account(s) of a Professional on MIAX (not including Excluded Contracts), during the fourth

quarter of 2015 as a percentage of the total volume reported by OCC in MIAX classes during the

fourth quarter of 2015 (the "Baseline Percentage"). The Exchange proposes to use the same

volume tier thresholds for complex orders that it currently uses for simple orders, and proposes

the following per contract credits to Public Customers that are not a Priority Customer, or are a

non-MIAX market maker, non-Member broker-dealer, or Firm: (i) $0.03 per contract for

contracts executed in Tier 1; (ii) $0.05 per contract for contracts executed in Tier 2; and (iii)

$0.07 per contract for contracts executed in Tier 3. The current credits for contracts that are part

of simple orders will remain unchanged, and the amended table in Section 1)a)iv) will include

separate columns, one indicating the credits applicable to contracts from simple orders, and the

other indicating the credits applicable to contracts from complex orders. Additionally, proposed

amended Section 1)a)iv) will include a clarifying statement that volume for transactions in both

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[27]   Excluded Contracts are any contracts executed as mini-options, Non-Priority
        Customer-to-Non-Priority Customer Orders, QCC Orders, PRIME Orders, PRIME AOC
        Responses, PRIME Contra-side Orders, and executions related to contracts that are
        routed to one or more exchanges in connection with the Options Order Protection and
        Locked/Crossed Market Plan referenced in MIAX Rule 1400.

simple and complex orders will be aggregated to determine the appropriate volume tier threshold

applicable to each transaction.

The revised PRP table proposed by the Exchange will be as follows:

Professional Rebate Program

Type of Market Participants Eligible for Rebate	Tier	Percentage Thresholds of Volume Increase in Multiply-Listed Options (except Excluded Contracts) for the Current Month Compared to Fourth Quarter 2015	Per Contract Credit (except Excluded Contracts) for Simple Orders	Per Contract Credit (except Excluded Contracts) for Complex Orders
Public Customer that is Not a Priority Customer	1	Above 0.00% - 0.005%	$0.10	$0.03
Non-MIAX Market Maker	2	Above 0.005% - 0.020%	$0.15	$0.05
Non-Member Broker-Dealer Firm	3	Above 0.020%	$0.20	$0.07

Marketing Fee

Section 1)b) of the Fee Schedule describes Marketing Fees assessed on 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. The current Marketing Fees are: (i) $0.70

per contract for transactions in standard option classes ($0.070 per contract for transactions in

mini options) that are not penny option classes; and (ii) $0.25 per contract for transactions in

standard option classes ($0.025 per contract for transactions in mini options) that are penny

option classes. The Exchange proposes to amend Section 1)b) to state that the Marketing Fee

applies to contracts in simple and complex order executions, and that the Marketing Fee in

complex order executions will be assessed per contract whether the transaction executes in the

Strategy Book, a Complex Auction, or by Legging into the simple order book (i.e., regardless of how the complex contracts are executed).[28]

The Exchange is not proposing to extend the Posted Liquidity Marketing Fee to contracts executed from complex orders. Currently, for transactions that occur on or after September 1, 2016 and extending through October 31, 2016, MIAX assesses 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 order book at the time of the execution. The Exchange proposes to amend Section 1)b) to state that the Posted Liquidity Marketing Fee applies only to contracts from simple order executions. The revised Marketing Fee table proposed by the Exchange will be as follows:

Amount of Marketing Fee Assessed	Option Classes
$0.70 (per contract)	Simple and complex order t[T]ransactions in Standard Option Classes that are not in the Penny Pilot Program
$0.25[29] (per contract)	Simple and complex order t[T]ransactions 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)	Simple and complex order t[T]ransactions in Mini Options where the corresponding Standard Option is not in the Penny Pilot Program
$0.025 (per contract)	Simple and complex order t[T]ransactions 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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[28]   For a discussion of these types of executions, see Securities Exchange Act Release No. 78620 (August 18, 2016), 81 FR 58770 (August 25, 2016)(SR-MIAX-2016-26).

[29]   Extending through October 31, 2016, the Exchange will assess an additional $0.12 per contract Posted Liquidity Marketing Fee to all Market Makers for any simple orders in 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.

All other aspects of the Marketing Fee program of the Exchange will remain unchanged. The proposed rule changes are scheduled to become operative October 24, 2016.

2.   Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act[30] in general, and in particular, furthers the objectives of Section 6(b)(4) of the Act,[31] in that it is an equitable allocation of reasonable fees and other charges among Exchange members and issuers and other persons using its facilities, and 6(b)(5) of the Act,[32] 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 fee structure is equitable and not unfairly discriminatory because all similarly situated market participants are subject to the same fee and rebate structure for complex order transactions, and access to the Exchange is offered on terms that are not unfairly discriminatory. The inclusion of the number of contracts executed in both simple and complex orders in the calculation of the Market Maker's monthly percentage threshold in Section 1)a)i) is reasonable, equitable and not unfairly discriminatory because it provides a direct and equal fee benefit to Market Makers that trade complex orders. All complex order volume executed will count towards the monthly percentage thresholds required to receive the enumerated discounts in both simple and complex transactions, thus benefiting all Market Makers equally. Furthermore,

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[30]   15 U.S.C. 78f(b).

[31]   15 U.S.C. 78f(b)(4).

[32]   15 U.S.C. 78f(b)(1) and (b)(5).

it should encourage Market Makers to provide liquidity in complex orders on the Exchange because their executed volume in complex orders will enhance their ability to achieve discounted per contract transaction fees in transactions involving both simple and complex orders, thus functioning to remove impediments to and perfect the mechanisms of a free and open market and a national market system.

The Exchange's proposal to assess per contract transaction fees to MIAX Market Makers for complex orders in penny option classes and non-penny option classes is reasonable and not unfairly discriminatory because it enhances the ability of Market Makers to achieve volume levels that qualify them for fees in the higher tiers, and equally rewards all Market Makers that achieve the tiers that include even further discounted per contract transaction fees. The amount of the fees in the tiers for complex orders are very similar to the amount of the fees in the tiers for simple orders, therefore the Exchange believes that fee amounts are reasonable and appropriate.

The Exchange's proposal to assess the same fees for simple and complex orders to other market participants (listed in Section 1)a)ii of the Fee Schedule) for complex orders is reasonable and not unfairly discriminatory because the fees apply equally to all similarly situated market participants. Just as with the current fees assessed for simple orders in Section 1)a)ii, the PCRP tier discounts will not apply to these participants because Market Makers, who qualify for the discounts, have quoting and other obligations that the listed other market participants do not have and the Exchange believes that the PCRP tier discounts are thus equitable and not unfairly discriminatory.

The Exchange believes that it is reasonable and not unfairly discriminatory to offer discounted fees to Market Makers in simple orders if they fall within PCRP volume Tier 3 or higher, while not discounting the per contract fees for complex orders regardless of their PCRP

Tier level. While the Exchange has the ability to justify and determine the level of incentives with respect to simple orders, the Exchange believes it would be premature to offer additional incentives and rewards to Market Makers above what the Exchange is offering until Market Makers actually use the new and value-added complex order functionality. The Exchange will better be able to determine if additional incentives or rewards are warranted, and if so at what level, once Market Makers begin using the new functionality and have established a performance baseline for complex orders.

The Exchange's proposal to offer certain credits for complex order transactions under the PCRP and the PRP and to include contracts executed from both simple and complex transactions in the calculation of the various percentage volume thresholds is intended to encourage participants to submit more orders to the Exchange, thus enhancing liquidity and removing impediments to and perfecting the mechanisms of a free and open market and a national market system.

The Exchange notes that the proposed per contract credits for the PCRP are higher for complex orders than they are for simple orders, and the per contract credits for the PRP are lower for complex orders than they are for simple orders. The Exchange believes that this is equitable and reasonable because the nature of the two rebate programs (PCRP and PRP) is fundamentally different in structure and purpose.

On the one hand, the PCRP rewards executed Priority Customer volume from "contract-one."[33] This structure is designed to enable the Exchange to compete with the multitude of Priority Customer payment programs, such as maker-taker rebates and payment for order flow

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[33] The Priority Customer rebate payment will be calculated from the first executed contract at the applicable threshold per contract credit with rebate payments made at the highest achieved volume tier for each contract traded in that month. See Fee Schedule, Section 1)a)iii.

programs that are established in the industry. By offering an aggressive incentive for Priority

Customer volume beginning on day one, the Exchange believes it can best compete for order

flow in complex orders as soon as they become available on the Exchange.

On the other hand, the PRP credit is aimed at Professional volume executed on the

Exchange on an incremental basis. The PRP credit is based on a volume increase above and

beyond an established baseline. Because the trading of complex orders on the Exchange

represents new functionality and new volume to the Exchange, all complex order volume

executed on the Exchange is by its nature incremental. As such, the Exchange believes it is not

necessary to provide rewards at the same level to Professional complex orders that it provides for

Professional simple orders.

The Exchange's proposal to establish and assess a surcharge of $0.08 per contract for

Market Makers and other participants for removing liquidity by trading against a Priority

Customer order on the Strategy Book is consistent with Section 6(b)(4) of the Act[34] because it

applies equally to all participants that remove Priority Customer liquidity from the Strategy

Book, and does not apply to participants whose orders or quotes resting on the Strategy Book are

executed against Priority Customer complex orders on the Strategy Book. This incentive for

providing resting liquidity applies to all participants. Assessing the surcharge to market

participants who take liquidity from Priority Customers is reasonable and not unfairly

discriminatory because it will provide MIAX Market Makers with equal surcharges for removing

liquidity, and no surcharge for resting liquidity. As stated above, this is substantially similar to a

surcharge assessed on another exchange.[35] The Exchange notes that, although its base fee is

slightly higher (with a similar complex fee approach), the Exchange believes that this is fair and

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[34]   15 U.S.C. 78f(b)(4).

[35]   See supra note 16.

equitable because the Exchange offers technology with unique risk mitigation features not available elsewhere, such as the Implied Away Best Bid or Offer ("ixABBO") Price Protection. See Exchange Rule 518.05(d).

The Exchange's proposal to assess the $.08 surcharge is also consistent with Section 6(b)(5) of the Act[36] because it perfects the mechanisms of a free and open market and a national market system and protect investors and the public interest by encouraging participants to provide liquidity on the Strategy Book, which the Exchange believes is an important competitive tool that directly or indirectly can provide better prices for investors. The proposed fee structure may narrow the MIAX Bid and Offer ("MBBO") because not charging the $0.08 surcharge to participants with resting liquidity on the Strategy Book effectively subsidizes, and thus encourages, the posting of liquidity on MIAX. Giving greater incentive for Market Makers to either match or improve upon the best price displayed on MIAX benefits investors and the public by improving execution prices.

Non-Priority Customers, non-MIAX Market Makers, broker-dealers and Firms that use sophisticated trading systems will be able to remove liquidity quickly from the Strategy Book, and thus the Exchange believes that assessing the surcharge to participants who remove liquidity, and not assessing the surcharge to participants with complex orders resting on the Strategy Book is reasonable and not unfairly discriminatory. Moreover, the proposed surcharge is substantially similar to the surcharge on CBOE,[37] and has been accepted as not unfairly discriminatory under the Act.[38] The Exchange believes for these reasons that the surcharge is equitable, reasonable and not unfairly discriminatory, and thus consistent with the Act.

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[36]   15 U.S.C. 78f(b)(1) and (b)(5).

[37]   See supra notes 16, 35.

[38]   See CBOE Fees Schedule Complex Taker Fee, (describing a per contract, per side surcharge at note 35); see also International Securities Exchange ("ISE") Schedule of

The proposed assessment of the Marketing Fee for all complex order transactions that are executed by a Market Maker in their assigned classes when the contra-party to the trade is a Priority Customer is equitable and not unfairly discriminatory because the fee will apply equally to all Market Makers in their assigned classes. Further, the assessment of a Marketing Fee for complex transactions is a common practice of other exchanges.[39] Attracting more order flow to the Exchange will bring greater volume and liquidity which in turn benefits all market participants by providing more trading opportunities and tighter spreads.

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 Exchange believes that the proposed fee structure for complex order transactions is intended to promote narrower spreads and greater liquidity at the best prices. The fee-based incentives for market participants to provide liquidity by submitting complex orders to the Exchange, and thereafter to improve the MBBO to ensure participation, should enable the Exchange to attract order flow and compete with other exchanges which also provide such incentives to their market participants for similar transactions.[40]

The Exchange believes that increased complex order flow will bring greater volume and liquidity which in turn benefits all market participants by providing more trading opportunities and tighter spreads. Therefore, any potential effects that the adoption of the complex transaction fees may have on intra-market competition are justifiable due to the reasons stated above.

Fees, Section II. ISE's fee structure does not include a specific "taker surcharge" in the same manner as CBOE (and which is also proposed by the Exchange) but instead includes a higher taker fee for complex transactions that remove liquidity from the complex order book.

[39]   See CBOE Fees Schedule, p. 4; see also Phlx Pricing Schedule, Section II.

[40]   See, e.g., Phlx Pricing Schedule, Section B (Customer Rebate Program).

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. The Exchange believes that the proposed rule changes reflect this competitive environment because they modify the Exchange's fees in a manner that encourages market participants to provide liquidity and to send order flow 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.   <u>Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action</u>

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act,[41] and Rule 19b-4(f)(2)[42] 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.   <u>Solicitation of Comments</u>

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:

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[41]   15 U.S.C. 78s(b)(3)(A)(ii).

[42]   17 CFR 240.19b-4(f)(2).

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-2016-38 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-2016-38. This file number

should be included on the subject line if e-mail is used. To help the Commission process and

review your comments more efficiently, please use only one method. The Commission will post

all comments on the Commission's Internet Web site (http://www.sec.gov/rules/sro.shtml).

Copies of the submission, all subsequent amendments, all written statements with respect

to the proposed rule change that are filed with the Commission, and all written communications

relating to the proposed rule change between the Commission and any person, other than those

that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be

available for website viewing and printing in the Commission's Public Reference Room, 100 F

Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m.

and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the

principal office of the Exchange. All comments received will be posted without change; the

Commission does not edit personal identifying information from submissions. You should

submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-MIAX-2016-38 and should be submitted

on or before [insert date 21 days from publication in the Federal Register]. For the Commission,

by the Division of Trading and Markets, pursuant to delegated authority.[43]

Brent J. Fields
Secretary

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[43]   17 CFR 200.30-3(a)(12).

Exhibit 5

New text is <u>underlined</u>;
Deleted text is in [brackets]

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MIAX Options Fee Schedule

1) Transaction Fees
a) Exchange Fees
i) Market Maker Transaction Fees

Market Maker Sliding Scale

			Members and Their Affiliates[1] In Priority Customer Rebate Program Volume Tier 3 or Higher						
			<u>Simple</u>				<u>Complex</u>		
			Per Contract Fee For Penny Classes		Per Contract Fee For Non-Penny Classes				<u>Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes</u>
	Tier	Percentage Thresholds	Maker*	Taker	Maker*	Taker	<u>Per Contract Fee for Penny Classes</u>	<u>Per Contract Fee for Non-Penny Classes</u>	
All MIAX Market Makers	1	0.00% - 0.075%	$0.21	$0.23	$0.25	$0.30	<u>$0.25</u>	<u>$0.29</u>	<u>$0.08</u>
	2	Above 0.075% - 0.60%	$0.15	$0.22	$0.19	$0.27	<u>$0.19</u>	<u>$0.23</u>	<u>$0.08</u>
	3	Above 0.60% - 1.00%	$0.08	$0.15	$0.12	$0.20	<u>$0.12</u>	<u>$0.16</u>	<u>$0.08</u>
	4	Above 1.00% - 1.50%	$0.04	$0.06	$0.08	$0.12	<u>$0.07</u>	<u>$0.11</u>	<u>$0.08</u>
	5	Above 1.50%	$0.02	$0.04	$0.06	$0.10	<u>$0.05</u>	<u>$0.09</u>	<u>$0.08</u>

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[1] For purposes of the MIAX Options Fee Schedule, the term "Affiliate" means an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A ("Affiliate").

			Simple				Complex		
Members and Their Affiliates Not In Priority Customer Rebate Program Volume Tier 3 or Higher									
			Per Contract Fee For Penny Classes		**Per Contract Fee For Non-Penny Classes**				**Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes**
	Tier	Percentage Thresholds	Maker*	Taker	Maker*	Taker	Per Contract Fee for Penny Classes	Per Contract Fee for Non-Penny Classes	
All MIAX Market Makers[2]	1	0.00% - 0.075%	$0.23	$0.25	$0.27	$0.32	$0.25	$0.29	$0.08
	2	Above 0.075% - 0.60%	$0.17	$0.24	$0.21	$0.29	$0.19	$0.23	$0.08
	3	Above 0.60% - 1.00%	$0.10	$0.17	$0.14	$0.22	$0.12	$0.16	$0.08
	4	Above 1.00% - 1.50%	$0.06	$0.08	$0.10	$0.14	$0.07	$0.11	$0.08
	5	Above 1.50%	$0.04	$0.06	$0.08	$0.12	$0.05	$0.09	$0.08

* The Maker Penny and Non-Penny fees will apply to opening transactions, transactions resulting from quotes that uncross the ABBO, and any other transaction that is not a taker transaction.

Volume thresholds are based on the total national Market Maker volume of any options classes with traded volume on MIAX during the month in simple and complex orders (excluding QCC Orders, PRIME AOC Responses, and unrelated MIAX Market Maker quotes or unrelated MIAX Market Maker orders that are received during the Response Time Interval and executed against the PRIME Order ("PRIME Participating Quotes or Orders")). The Market Maker Sliding Scale applies to MIAX Market Maker (RMM, LMM, DLMM, PLMM, DPLMM) transaction fees in all products except mini-options. MIAX Market Makers will be assessed a $0.02 per executed contract fee for transactions in mini-options. A MIAX Market Maker's standard per contract transaction fee shall be reduced to the fees shown on the sliding scale as the MIAX Market Maker reaches the volume thresholds shown on the sliding scale in a month. The

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[2] See MIAX Rule 100 for the definition of Registered Market Maker ("RMM"), Primary Lead Market Maker ("PLMM"), Lead Market Maker ("LMM"). Directed Order Lead Market Maker ("DLMM") and Directed Primary Lead Market Maker ("DPLMM") is a party to a transaction being allocated to the LMM or PLMM and is the result of an order that has been directed to the LMM or PLMM.

Exchange will aggregate the trading activity of Members and their Affiliates for purposes of the sliding scale.

ii) Other Market Participant Transaction Fees

Types of Other Market Participants	Standard Options Transaction Fee for Simple and Complex Orders (per executed contract)		Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes	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	$0.00	$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]	$0.08	$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]

[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 in simple order executions.

[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 in simple order executions.

[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 for Simple and Complex Orders (per executed contract)		Per Contract Surcharge for Removing Liquidity Against a Resting Priority Customer Complex Order on the Strategy Book for Penny and Non-Penny Classes	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]	$0.08	$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]	$0.08	$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]	$0.08	$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.

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[8]   For transactions that occur on or after September 1, 2016 and extending through October 31, 2016, orders executed for the account of non-MIAX market makers will be assessed $0.50 per contract in options overlying EEM, GLD, IWM, QQQ, and SPY in simple order executions. 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 that, with respect to transactions that occur on or after September 1, 2016 and extending through October 31, 2016 in options overlying EEM, GLD, IWM, QQQ, and SPY, such Member or Affiliate will be assessed $0.48 per contract in simple order executions.

[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 in simple order executions.

[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 in simple order executions.

[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 in simple order executions.

iii)   Priority Customer Rebate Program

Origin	Tier	Percentage Thresholds of National Customer Volume in Multiply-Listed Options Classes Listed on MIAX (Monthly)	Per Contract Credit for Simple Orders in non-MIAX Select Symbols[14]	Per Contract Credit for Simple Orders in MIAX Select Symbols[14]	Per Contract Credit for PRIME Agency Order	Per Contract Credit for Complex Orders
Priority Customer	1	0.00% - 0.50%	$0.00	$0.00	$0.10	$0.00
	2	Above 0.50% - 1.20%	$0.10	$0.10	$0.10	$0.21
	3	Above 1.20% - 1.75%	$0.15	$0.20	$0.10	$0.24
	4	Above 1.75%	$0.21	$0.24	$0.10	$0.25

MIAX shall credit each Member the per contract amount set forth above as applicable resulting from each Priority Customer order transmitted by that Member which is executed electronically on the Exchange in all multiply-listed option classes (excluding, in simple or complex as applicable, QCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, PRIME AOC Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Rule 1400), provided the Member meets certain percentage thresholds in a month as described in the Priority Customer Rebate Program table.

For each Priority Customer order transmitted by that Member which is executed electronically on the Exchange in MIAX Select Symbols in simple order executions, MIAX shall credit each member at the separate per contract rate for MIAX Select Symbols.

For each Priority Customer order submitted into the PRIME Auction as a PRIME Agency Simple Order, MIAX shall credit each member at the separate per contract rate for PRIME Agency Simple Orders; however, no rebates will be paid if the PRIME Agency Simple Order executes against a Contra-side Order which is also a Priority Customer.

The Priority Customer rebate payment will be calculated from the first executed contract at the applicable threshold per contract credit with rebate payments made at the highest achieved volume tier for each contract traded in that month.

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[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 in simple order executions.

[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 in simple order executions.

[14]   The term "MIAX Select Symbols" means options overlying AA, AAL, AAPL, AIG, AMAT, AMD, AMZN, BA, BABA, BBRY, BIDU, BP, C, CAT, CBS, CELG, CLF, CVX, DAL, EBAY, EEM, FB, FCX, GE, GILD, GLD, GM, GOOGL, GPRO, HAL, HTZ, INTC, IWM, JCP, JNJ, JPM, KMI, KO, MO, MRK, NFLX, NOK, NQ, ORCL, PBR, PFE, PG, QCOM, QQQ, RIG, S, SPY, SUNE, T, TSLA, USO, VALE, VXX, WBA, WFC, WMB, WY, X, XHB, XLE, XLF, XLP, XOM, XOP and YHOO.

The percentage thresholds are calculated based on the percentage of national customer volume in multiply-listed options classes listed on MIAX entered and executed over the course of the month (excluding QCC Orders, Priority Customer-to-Priority Customer Orders, PRIME AOC Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and Contra-side Order are Priority Customers). <u>Volume for transactions in both simple and complex orders will be aggregated to determine the appropriate volume tier threshold applicable to each transaction.</u> Volume will be recorded for and credits will be delivered to the Member Firm that submits the order to MIAX. MIAX will aggregate the contracts resulting from Priority Customer orders transmitted and executed electronically on MIAX from Members and their Affiliates for purposes of the thresholds described in the Priority Customer Rebate Program table.

MIAX shall credit each "Qualifying Member" $0.03 per contract (excluding QCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, PRIME Agency Orders, PRIME AOC Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Rule 1400) resulting from each Priority Customer order <u>in simple or complex order executions</u> which falls within the Priority Customer Rebate Program volume tier 1 above. "Qualifying Member" shall mean a Member or its Affiliate that qualifies for the Professional Rebate Program as described below and achieves a volume increase in excess of 0.065% for Professional orders transmitted by that Member which are executed electronically on the Exchange in all multiply-listed option classes for the account(s) of a Professional and which qualify for the Professional Rebate Program during a particular month relative to the applicable Baseline Percentage (as defined under the Professional Rebate Program).

Any Member or its Affiliate that qualifies for Priority Customer Rebate Program volume tiers 3 or higher will be credited an additional $0.02 per contract for each Priority Customer order executed in the PRIME Auction as a PRIME Agency Order over a threshold of 1,500,000 contracts in a month (excluding QCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, PRIME AOC Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Rule 1400); volume will be recorded for and credits will be delivered to the Member Firm that submits the order to MIAX. In the event of a MIAX System outage or other interruption of electronic trading on MIAX, the Exchange will adjust the national customer volume in multiply-listed options for the duration of the outage. A Member may request to receive its credit under the Priority Customer Rebate Program as a separate direct payment.

iv)   Professional Rebate Program

Type of Market Participants Eligible for Rebate	Tier	Percentage Thresholds of Volume Increase in Multiply-Listed Options (except Excluded Contracts) for the Current Month Compared to Fourth Quarter 2015	Per Contract Credit (except Excluded Contracts) for Simple Orders	Per Contract Credit (except Excluded Contracts) for Complex Orders
Public Customer that is Not a Priority Customer	1	**Above 0.00% - 0.005%**	**$0.10**	**$0.03**
Non-MIAX Market Maker	2	**Above 0.005% - 0.020%**	**$0.15**	**$0.05**
Non-Member Broker-Dealer				
Firm	3	**Above 0.020%**	**$0.20**	**$0.07**

MIAX shall credit each Member the per contract amount set forth above as applicable resulting from any contracts executed from an order submitted by a Member for the account(s) of a (i) Public Customer that is not a Priority Customer; (ii) Non-MIAX Market Maker; (iii) Non-Member Broker-Dealer; or (iv) Firm (for purposes of the Professional Rebate Program, "Professional") which is executed electronically on the Exchange in all multiply-listed option classes (excluding, in simple or complex as applicable, mini-options, Non-Priority Customer-to-Non-Priority Customer Orders, QCC Orders, PRIME Orders, PRIME AOC Responses, PRIME Contra-side Orders, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Rule 1400 (collectively, for purposes of the Professional Rebate Program, "Excluded Contracts")), provided the Member achieves certain Professional volume increase percentage thresholds in the month relative to the fourth quarter of 2015, as described in the table above.

The percentage thresholds in each tier are based upon the increase in the total volume submitted by a Member and executed for the account(s) of a Professional on MIAX (not including Excluded Contracts) during a particular month as a percentage of the total volume reported by the Options Clearing Corporation (OCC) in MIAX classes during the same month (the "Current Percentage"), less the total volume submitted by that Member and executed for the account(s) of a Professional on MIAX (not including Excluded Contracts) during the fourth quarter of 2015 as a percentage of the total volume reported by OCC in MIAX classes during the fourth quarter of 2015 (the "Baseline Percentage"). Volume for transactions in both simple and complex orders will be aggregated to determine the appropriate volume tier threshold applicable to each transaction. For purposes of determining the Baseline Percentage for any Member that did not execute any contracts for the account(s) of a Professional on MIAX in the fourth quarter of 2015, the Baseline Percentage shall be 0.03%.

The Member's percentage increase will be calculated as the Current Percentage less the Baseline Percentage. Members will receive rebates for contracts submitted by such Member on behalf of a Professional(s) that are executed within a particular percentage tier based upon that percentage tier only, and will not receive a rebate for such contracts that applies to any other tier.

The increase in volume percentage will be recorded for, and credits will be delivered to, the Member that submits the order to MIAX on behalf of the Professional. Volume for both simple and complex orders will be aggregated to determine the appropriate volume tier threshold applicable to each transaction. MIAX will aggregate the contracts resulting from Professional orders transmitted and executed electronically on

MIAX from Members and their Affiliates. A Member may request to receive its credit under the Program as a separate direct payment

v)-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 in simple or complex order executions when the contra-party to the execution is a Priority Customer. The Marketing Fee in complex order executions will be assessed per contract (whether the transaction executes in a strategy match, complex auction, or by legging into the Book). 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.

For transactions that occur on or after September 1, 2016 and extending through October 31, 2016 in simple order executions, MIAX will assess 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 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)	Simple and complex order t[T]ransactions in Standard Option Classes that are not in the Penny Pilot Program
$0.25[15] (per contract)	Simple and complex order t[T]ransactions 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)	Simple and complex order t[T]ransactions in Mini Options where the corresponding Standard Option is not in the Penny Pilot Program
$0.025 (per contract)	Simple and complex order t[T]ransactions 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)

c) No change.

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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 simple orders in 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.