

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * 23 | SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4 | File No.* SR - 2017 - * 09 | Amendment No. (req. for Amendments *) |
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Filing by Miami International Securities Exchange, LLC.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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| Initial * <input checked="" type="checkbox"/> | Amendment * <input type="checkbox"/> | Withdrawal <input type="checkbox"/> | Section 19(b)(2) * <input type="checkbox"/> | Section 19(b)(3)(A) * <input checked="" type="checkbox"/> | Section 19(b)(3)(B) * <input type="checkbox"/> |
| | | | Rule | | |
| Pilot <input type="checkbox"/> | Extension of Time Period for Commission Action * <input type="checkbox"/> | Date Expires * <input type="text"/> | <input type="checkbox"/> 19b-4(f)(1) | <input type="checkbox"/> 19b-4(f)(4) | |
| | | | <input type="checkbox"/> 19b-4(f)(2) | <input type="checkbox"/> 19b-4(f)(5) | |
| | | | <input type="checkbox"/> 19b-4(f)(3) | <input checked="" type="checkbox"/> 19b-4(f)(6) | |

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| Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 | Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 |
| Section 806(e)(1) * <input type="checkbox"/> | Section 806(e)(2) * <input type="checkbox"/> |
| Section 3C(b)(2) * <input type="checkbox"/> | |

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| Exhibit 2 Sent As Paper Document <input type="checkbox"/> | Exhibit 3 Sent As Paper Document <input type="checkbox"/> |
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Description

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

Proposal to Amend Exchange Rule 519, MIAX Order Monitor

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 * Gregory Last Name * Ziegler

Title * Associate Counsel

E-mail * gziegler@miaxoptions.com

Telephone * (609) 897-1483 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 02/23/2017 SVP, Associate General Counsel

By Joseph Ferraro

(Name *)

jfferraro@miami-holdings.com

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.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF 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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Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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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

Add Remove View

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

Partial Amendment

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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 Options” 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 Exchange Rule 519, MIAX Order Monitor.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Chief Executive Officer of the Exchange pursuant to authority delegated by the MIAX Board of Directors on December 8, 2016.

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 Gregory P. Ziegler, Associate Counsel at (609) 897-1483.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

The Exchange proposes to amend Rule 519, MIAX Order Monitor, to clarify the behavior of the Order Size Protection functionality (defined below) described in paragraph (b) and to make minor, non-substantive changes to the rule as described below. The Exchange also proposes to amend Rule 519 by removing the option for a Member³ to disable the risk protection features described in paragraphs (b)-(d) of the rule: Order Size Protection, Open Order Protection, and Open Contract Protection, respectively, which are all defined below.

The MIAX Order Monitor is a risk management feature of the Exchange's System.⁴ Pursuant to paragraph (b) of Rule 519, the MIAX Order Monitor prevents certain orders from executing or being placed on the Book⁵ if the size of the order exceeds the Order Size Protection designated by the Member submitting the order (proposed "Order Size Protection").⁶ If the maximum size of an order is not designated by the Member, the Exchange will set a default maximum value which will be determined by the Exchange and announced to Members through a Regulatory Circular.⁷

Pursuant to paragraph (c) of Rule 519, the MIAX Order Monitor rejects any orders that exceed the maximum number of open orders held in the System on behalf of a particular

³ 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.

⁴ The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

⁵ The term "Book" means the electronic book of buy and sell orders and quotes maintained by the System. See Exchange Rule 100.

⁶ See Exchange Rule 519(b).

⁷ The Exchange notes that the current default maximum order size is 10,000 contracts.

Member (the “Open Order Protection”).⁸ If the maximum number of open orders is not designated by the Member, the Exchange will set a default maximum value which will be determined by the Exchange and announced to Members through a Regulatory Circular.⁹

Pursuant to paragraph (d) of Rule 519, the MIAX Order Monitor rejects any orders that cause the number of open contracts represented by orders held in the System on behalf of a particular Member (the “Open Contract Protection”)¹⁰ to exceed a specified maximum number of contracts. If the maximum number of open contracts is not designated by the Member, the Exchange will set a default maximum value which will be determined by the Exchange and announced to Members through a Regulatory Circular.¹¹

The Exchange also proposes to make minor, non-substantive changes to paragraph (b) to make the language clear and consistent with the remainder of the rule. The Exchange proposes to amend the heading of paragraph (b) from “Order Size Protections” to “Order Size Protection” to more accurately reflect the scope of the functionality. Additionally, the Exchange proposes to change the rule text to more accurately describe that the functionality operates on a per order basis. The Exchange proposes to make clarifying changes to the second sentence by changing the first occurrence of “orders” to “an order” and changing the second occurrence of “orders” to “order” and placing it after the word “maximum” so the proposed revised sentence would read, “[i]f the maximum size of an order is not designated by the Member, the Exchange will set a maximum order size on behalf of the Member by default.” The Order Size Protection operates

⁸ See Exchange Rule 519(c).

⁹ The Exchange notes that the current default maximum number of open orders is 30,000.

¹⁰ See Exchange Rule 519(d).

¹¹ The Exchange notes that the current default maximum number of open contracts is 1,000,000.

on an order by order basis, and the Exchange believes the revised language more accurately describes the functionality.

Additionally, the Exchange proposes to amend paragraph (b) to eliminate the option for Members to disable the Order Size Protection. The proposed sentence will read, “[m]embers may designate the order size protection on a firm wide basis.” Should a Member fail to designate an Order Size Protection value, the Exchange will apply a default setting, which it will determine and announce to Members through a Regulatory Circular.

The Exchange also proposes to amend paragraph (c) to remove the option for Members to disable the Open Order Protection. If a Member does not designate an appropriate value, the Exchange will apply a default value, which it will determine and announce to Members through a Regulatory Circular.

Finally, the Exchange proposes to amend paragraph (d) to remove the option for Members to disable the Open Contract Protection. If a Member does not designate an appropriate value, the Exchange will apply a default value, which it will determine and announce to Members through a Regulatory Circular.

The proposed rule change is designed to protect market participants by eliminating the option for Members to disable the Order Size Protection, Open Order Protection, and Open Contract Protection features of the MIAX Order Monitor. The proposed rule change ensures that settings are in place, either provided by the Member or the Exchange, that can be used to (i) avoid the potential submission of erroneously sized orders to the Exchange (Order Size Protection), (ii) prevent market participants from exceeding the number of open orders in the System (Open Order Protection), or (iii) the number of open contracts represented by orders in the System (Open Contract Protection).

In addition, the Exchange believes that clarifying the operation of the Order Size Protection functionality will enable market participants to better understand the risk protections available on the Exchange.

The Exchange notes that some of its rules are incorporated by reference by MIAX PEARL,¹² and in addition, that MIAX Options and MIAX PEARL have other rules in common. MIAX Options and MIAX PEARL also have a number of common Members and where feasible the Exchange intends to implement similar behavior of matching rules on each Exchange to provide consistency between the Exchanges so as to avoid confusion among Members. Aligning similar rules on MIAX Options and MIAX PEARL provides transparency and clarity in the rules and minimizes the potential for confusion, thereby protecting investors and the public interest.

The Exchange will announce the implementation date of the proposed rule change by Regulatory Circular to be published no later than 60 days following the operative date of the proposed rule. The implementation date will be no later than 60 days following the issuance of the Regulatory Circular.

b. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act¹³ in general, and furthers the objectives of Section 6(b)(5) of the Act¹⁴ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a

¹² See MIAX PEARL Exchange Rules Chapter III, VII, VIII, IX, XI, XIII, XIV, XV, and XVI.

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(5).

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

The proposed rule change is designed to protect investors and the public interest by eliminating the option for market participants to disable Order Size Protection, Open Order Protection, and Open Contract Protection, which ensures either a value provided by the firm or a default Exchange setting is used, to help market participants avoid the potential submission of orders to the Exchange that would cause them to be at unintended risk levels. The proposed rule change ensures that all orders being submitted to the Exchange have risk protection settings in place. Eliminating a market participant's ability to disable Order Size Protection will help reduce the negative impacts of receiving an erroneously sized order. Eliminating a market participant's ability to disable Open Order and Open Contract Protections will ensure that risk protections are in place to account for sudden, unanticipated volatility in individual options, and will serve to preserve an orderly market in a transparent and uniform manner, increase overall market confidence, and promote fair and orderly markets and further the protection of investors.

The Exchange believes that all market participants will benefit from the proposed change to the Rule. Market participants are vulnerable to risks stemming from market events which may cause them to send a large number of orders or receive multiple, automatic executions before they can adjust their order exposure in the market. Without adequate risk management tools, such as the MIAX Order Monitor, market participants could reduce the amount of order flow and liquidity that they provide to the market. Such actions may undermine the quality of the markets available to customers and other market participants. Accordingly, the proposed amendments to the MIAX Order Monitor should instill additional confidence in market participants that submit orders to the Exchange that there are adequate risk protections in place, and thus should

encourage market participants to submit additional order flow to the Exchange, thereby removing impediments to and perfecting the mechanisms of a free and open market and a national market system, and in general, protecting investors and the public interest.

In addition, the Exchange believes that the proposed amendment removes impediments to and perfects the mechanisms of a free and open market and a national market system and, in general, protects investors and the public interest by helping to eliminate potential confusion on behalf of market participants by clearly describing the Order Size Protection functionality. Further, the Exchange believes that clarifying the operation of the risk protections available on the Exchange promotes the protection of investors and the public interest by helping market participants avoid the potential submission and subsequent execution of erroneously sized orders.

Finally, the Exchange notes that some of its rules are incorporated by reference by MIAX PEARL,¹⁵ and in addition, that MIAX Options and MIAX PEARL have other rules in common. MIAX Options and MIAX PEARL also have a number of common Members and where feasible the Exchange intends to implement similar behavior of matching rules on each Exchange to provide consistency between the Exchanges so as to avoid confusion among Members. Aligning similar rules on MIAX Options and MIAX PEARL provides transparency and clarity in the rules and minimizes the potential for confusion, thereby protecting investors and the public interest.

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

MIAX Options 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. Specifically, the Exchange believes the proposed changes will not impose any burden on intra-market competition because it applies to all MIAX Options participants equally. In addition, the

¹⁵ See supra note 12.

Exchange does not believe the proposal will impose any burden on inter-market competition as the proposal is intended to protect investors by providing further transparency regarding the MIAX Order Monitor feature.

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) of the Act¹⁶ and Rule 19b-4(f)(6)¹⁷ thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that the proposed rule change eliminating the Member's ability to disable the Order Size Protection, Open Order Protection, and Open Contract Protection is "non-controversial" and raises no new regulatory issues. By eliminating the Member's ability to disable the above mentioned protections, the Exchange ensures that at a minimum the Exchange provided default values are used, while also allowing the firm the option to override the Exchange default settings by designating a firm wide setting. In addition, the Exchange notes

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 17 CFR 240.19b-4(f)(6).

similar functionality is currently offered by another Exchange.¹⁸ Therefore, the Exchange believes that the changes to the Order Size Protection, Open Order Protection, and Open Contract Protection are well-suited for, and meet the standards applicable to, the Commission's treatment of non-controversial proposals under Section 19(b)(3)(A) of the Act¹⁹ and Rule 19b-4(f)(6) thereunder.²⁰

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

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.

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

The proposed amendment is based on a similar rule of MIAX PEARL, LLC.²¹

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

Not applicable.

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

Not applicable.

¹⁸ See MIAX PEARL Exchange Rule 519.

¹⁹ 15 U.S.C. 78s(b)(3)(A).

²⁰ 17 CFR 240.19b-4(f)(6).

²¹ See supra note 18.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. Text of proposed changes to rule text.

EXHIBIT 1SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-MIAX-2017-09)

February __, 2017

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange LLC to Amend MIAX Options Rule 519, MIAX Order Monitor

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 February 23, 2017, Miami International Securities Exchange, LLC (“MIAX Options” 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 Exchange Rule 519, MIAX Order Monitor.

The text of the proposed rule change is available on the Exchange’s website at

<http://www.miaxoptions.com/rule-filings>, at MIAX’s principal office, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

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

1. Purpose

The Exchange proposes to amend Rule 519, MIAX Order Monitor, to clarify the behavior of the Order Size Protection functionality (defined below) described in paragraph (b) and to make minor, non-substantive changes to the rule as described below. The Exchange also proposes to amend Rule 519 by removing the option for a Member³ to disable the risk protection features described in paragraphs (b)-(d) of the rule: Order Size Protection, Open Order Protection, and Open Contract Protection, respectively, which are all defined below.

The MIAX Order Monitor is a risk management feature of the Exchange's System.⁴ Pursuant to paragraph (b) of Rule 519, the MIAX Order Monitor prevents certain orders from executing or being placed on the Book⁵ if the size of the order exceeds the Order Size Protection designated by the Member submitting the order (proposed "Order Size Protection").⁶ If the maximum size of an order is not designated by the Member, the Exchange will set a default maximum value which will be determined by the Exchange and announced to Members through a Regulatory Circular.⁷

³ 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.

⁴ The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

⁵ The term "Book" means the electronic book of buy and sell orders and quotes maintained by the System. See Exchange Rule 100.

⁶ See Exchange Rule 519(b).

⁷ The Exchange notes that the current default maximum order size is 10,000 contracts.

Pursuant to paragraph (c) of Rule 519, the MIAX Order Monitor rejects any orders that exceed the maximum number of open orders held in the System on behalf of a particular Member (the “Open Order Protection”).⁸ If the maximum number of open orders is not designated by the Member, the Exchange will set a default maximum value which will be determined by the Exchange and announced to Members through a Regulatory Circular.⁹

Pursuant to paragraph (d) of Rule 519, the MIAX Order Monitor rejects any orders that cause the number of open contracts represented by orders held in the System on behalf of a particular Member (the “Open Contract Protection”)¹⁰ to exceed a specified maximum number of contracts. If the maximum number of open contracts is not designated by the Member, the Exchange will set a default maximum value which will be determined by the Exchange and announced to Members through a Regulatory Circular.¹¹

The Exchange also proposes to make minor, non-substantive changes to paragraph (b) to make the language clear and consistent with the remainder of the rule. The Exchange proposes to amend the heading of paragraph (b) from “Order Size Protections” to “Order Size Protection” to more accurately reflect the scope of the functionality. Additionally, the Exchange proposes to change the rule text to more accurately describe that the functionality operates on a per order basis. The Exchange proposes to make clarifying changes to the second sentence by changing the first occurrence of “orders” to “an order” and changing the second occurrence of “orders” to “order” and placing it after the word “maximum” so the proposed revised sentence would read, “[i]f the maximum size of an order is not designated by the Member, the Exchange will set a

⁸ See Exchange Rule 519(c).

⁹ The Exchange notes that the current default maximum number of open orders is 30,000.

¹⁰ See Exchange Rule 519(d).

¹¹ The Exchange notes that the current default maximum number of open contracts is 1,000,000.

maximum order size on behalf of the Member by default.” The Order Size Protection operates on an order by order basis, and the Exchange believes the revised language more accurately describes the functionality.

Additionally, the Exchange proposes to amend paragraph (b) to eliminate the option for Members to disable the Order Size Protection. The proposed sentence will read, “[m]embers may designate the order size protection on a firm wide basis.” Should a Member fail to designate an Order Size Protection value, the Exchange will apply a default setting, which it will determine and announce to Members through a Regulatory Circular.

The Exchange also proposes to amend paragraph (c) to remove the option for Members to disable the Open Order Protection. If a Member does not designate an appropriate value, the Exchange will apply a default value, which it will determine and announce to Members through a Regulatory Circular.

Finally, the Exchange proposes to amend paragraph (d) to remove the option for Members to disable the Open Contract Protection. If a Member does not designate an appropriate value, the Exchange will apply a default value, which it will determine and announce to Members through a Regulatory Circular.

The proposed rule change is designed to protect market participants by eliminating the option for Members to disable the Order Size Protection, Open Order Protection, and Open Contract Protection features of the MIAX Order Monitor. The proposed rule change ensures that settings are in place, either provided by the Member or the Exchange, that can be used to (i) avoid the potential submission of erroneously sized orders to the Exchange (Order Size Protection), (ii) prevent market participants from exceeding the number of open orders in the System (Open Order Protection), or (iii) the number of open contracts represented by orders in the System (Open Contract Protection).

In addition, the Exchange believes that clarifying the operation of the Order Size Protection functionality will enable market participants to better understand the risk protections available on the Exchange.

The Exchange notes that some of its rules are incorporated by reference by MIAX PEARL,¹² and in addition, that MIAX Options and MIAX PEARL have other rules in common. MIAX Options and MIAX PEARL also have a number of common Members and where feasible the Exchange intends to implement similar behavior of matching rules on each Exchange to provide consistency between the Exchanges so as to avoid confusion among Members. Aligning similar rules on MIAX Options and MIAX PEARL provides transparency and clarity in the rules and minimizes the potential for confusion, thereby protecting investors and the public interest.

The Exchange will announce the implementation date of the proposed rule change by Regulatory Circular to be published no later than 60 days following the operative date of the proposed rule. The implementation date will be no later than 60 days following the issuance of the Regulatory Circular.

2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act¹³ in general, and furthers the objectives of Section 6(b)(5) of the Act¹⁴ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and

¹² See MIAX PEARL Exchange Rules Chapter III, VII, VIII, IX, XI, XIII, XIV, XV, and XVI.

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(5).

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

The proposed rule change is designed to protect investors and the public interest by eliminating the option for market participants to disable Order Size Protection, Open Order Protection, and Open Contract Protection, which ensures either a value provided by the firm or a default Exchange setting is used, to help market participants avoid the potential submission of orders to the Exchange that would cause them to be at unintended risk levels. The proposed rule change ensures that all orders being submitted to the Exchange have risk protection settings in place. Eliminating a market participant's ability to disable Order Size Protection will help reduce the negative impacts of receiving an erroneously sized order. Eliminating a market participant's ability to disable Open Order and Open Contract Protections will ensure that risk protections are in place to account for sudden, unanticipated volatility in individual options, and will serve to preserve an orderly market in a transparent and uniform manner, increase overall market confidence, and promote fair and orderly markets and further the protection of investors.

The Exchange believes that all market participants will benefit from the proposed change to the Rule. Market participants are vulnerable to risks stemming from market events which may cause them to send a large number of orders or receive multiple, automatic executions before they can adjust their order exposure in the market. Without adequate risk management tools, such as the MIAX Order Monitor, market participants could reduce the amount of order flow and liquidity that they provide to the market. Such actions may undermine the quality of the markets available to customers and other market participants. Accordingly, the proposed amendments to the MIAX Order Monitor should instill additional confidence in market participants that submit orders to the Exchange that there are adequate risk protections in place, and thus should encourage market participants to submit additional order flow to the Exchange, thereby

removing impediments to and perfecting the mechanisms of a free and open market and a national market system, and in general, protecting investors and the public interest.

In addition, the Exchange believes that the proposed amendment removes impediments to and perfects the mechanisms of a free and open market and a national market system and, in general, protects investors and the public interest by helping to eliminate potential confusion on behalf of market participants by clearly describing the Order Size Protection functionality. Further, the Exchange believes that clarifying the operation of the risk protections available on the Exchange promotes the protection of investors and the public interest by helping market participants avoid the potential submission and subsequent execution of erroneously sized orders.

Finally, the Exchange notes that some of its rules are incorporated by reference by MIAX PEARL,¹⁵ and in addition, that MIAX Options and MIAX PEARL have other rules in common. MIAX Options and MIAX PEARL also have a number of common Members and where feasible the Exchange intends to implement similar behavior of matching rules on each Exchange to provide consistency between the Exchanges so as to avoid confusion among Members. Aligning similar rules on MIAX Options and MIAX PEARL provides transparency and clarity in the rules and minimizes the potential for confusion, thereby protecting investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes the proposed changes will not impose any burden on intra-market competition because it applies to all MIAX Options participants equally. In addition, the Exchange does not believe the proposal will impose any burden on inter-market competition as

¹⁵ See supra note 12.

the proposal is intended to protect investors by providing further transparency regarding the MIAX Order Monitor feature.

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act¹⁶ and Rule 19b-4(f)(6)¹⁷ 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.

¹⁶ 15 U.S.C. 78s(b)(3)(A).

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

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail [to rule-comments@sec.gov](mailto:to-rule-comments@sec.gov). Please include File Number SR-MIAX-2017-09 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-2017-09. 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-2017-09 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.¹⁸

Brent J. Fields
Secretary

¹⁸ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined;

Deleted text is in [brackets]

MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC

Rule 519. MIAX Order Monitor

(a) No change

(b) **Order Size Protection[s]**. The System will prevent certain orders from executing or being placed on the Book if the size of the order exceeds the order size protection designated by the Member. If the maximum size of an order[s] is not designated by the Member, the Exchange will set a maximum order size [of orders] on behalf of the Member by default. Members may designate [or disable] the order size protection on a firm wide basis. The default maximum size of an order[s] will be determined by the Exchange and announced to Members through a Regulatory Circular.

(c) **Open Order Protection**. The System will reject any orders that exceed the maximum number of open orders held in the System on behalf of a particular Member, as designated by the Member. Members may designate [or disable] the open order protection on a firm wide basis. If the maximum number of open orders is not designated by the Member, the Exchange will set a maximum number of open orders on behalf of the Member by default. The default maximum number of open orders will be determined by the Exchange and announced to Members through a Regulatory Circular.

(d) **Open Contract Protection**. The System will reject any orders that exceed the maximum number of open contracts represented by orders held in the System on behalf of a particular Member, as designated by the Member. Members may designate [or disable] the open contract protection on a firm wide basis. If the maximum number of open contracts is not designated by the Member, the Exchange will set a maximum number of open contracts on behalf of the Member by default. The default maximum number of open contracts will be determined by the Exchange and announced to Members through a Regulatory Circular.

Interpretations and Policies:

.01 - .02 No change
