

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105594; File No. SR-MIAX-2026-22]

Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Exchange Rule 519C, Mass Cancellation of Trading Interest

June 1, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 19, 2026, Miami International Securities Exchange, LLC (“MIAX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Exchange Rule 519C, Mass Cancellation of Trading Interest.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 519C, Mass Cancellation of Trading Interest, to adopt a new Selective Liquidity Auto Purge (“SLAP”) feature, which provides more granular mass cancellation functionality. Currently, Members³ may submit a mass cancellation request via the MIAX Express Interface (“MEI”)⁴ using the Mass Liquidity Cancel Request – Simple and Complex message. The Mass Liquidity Cancel Request message contains a Simple Mass Cancel field which allows the Member to determine the scope of the mass cancel request. For example, populating the Simple Mass Cancel Scope field with an “Y” will instruct the System⁵ to cancel all Standard quotes⁶ and eQuotes;⁷ populating the field with a “Q” will instruct the System to cancel all Standard quotes only.

The Exchange now proposes to adopt new paragraph (d) to Exchange Rule 519C, to adopt the SLAP feature. The SLAP feature, the use of which is optional, will provide more granular mass cancellation functionality by allowing users to mass cancel specific groups of

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 MIAX Express Interface (MEI) is a messaging interface that MIAX members that are approved as Market Makers use to submit quotes for trading on the MIAX Options Market. See MIAX Express Interface for Quoting and Trading Options, MEI Interface Specification, version 2.10a, 4/8/2024 available online at https://www.miaxglobal.com/sites/default/files/job-files/MIAX_Express_Interface_MEI_v2.10a.pdf.

⁵ The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

⁶ See Section 4.1.9, Mass Liquidity Cancel Request – Simple and Complex, in the MIAX Express Interface for Quoting and Trading Options, MEI Interface Specification, version 2.10a, 4/8/2024 available online at https://www.miaxglobal.com/sites/default/files/job-files/MIAX_Express_Interface_MEI_v2.10a.pdf.

⁷ An eQuote is a quote with a specific time in force that does not automatically cancel and replace a previous Standard quote or eQuote. See Exchange Rule 517(a)(2).

Standard quotes⁸ as determined by the Member on a quote-by-quote basis. Standard quotes submitted via the MIAX Express Interface may optionally contain one or more SLAP codes from 1 through 8.⁹ Each individual Standard quote can be part of eight (8) unique SLAP groups identified by their SLAP code (numbered 1 through 8).¹⁰

To remove Standard quotes with a SLAP code, a SLAP request is sent to the System containing the MPID,¹¹ underlying, and SLAP code of the Standard quotes to be removed from the System. Following completion of processing the SLAP request all new inbound Standard quotes with matching criteria submitted to the System will be blocked. The System will provide a notification to the requestor upon completion of the SLAP request. A SLAP reset request must be submitted to the System to resume entry of Standard quotes for the same MPID, underlying, and SLAP code. Standard quotes received for the same MPID, underlying, and SLAP code prior to a SLAP reset will be rejected. eQuotes will not be eligible to receive a SLAP code.

To facilitate SLAP processing the Exchange has amended and enhanced existing MIAX Express Interface messages. Specifically, a Member will use the Simple Bulk Quote Message in MEI to send a quote to the System. A new field, “SLAP Codes,” has been added to the message, which will allow the Member to identify the quote with a SLAP Code of 1 through 8, as desired. A Member will use the Mass Liquidity Cancel Request – Simple and Complex message in MEI to remove quotes with the designated SLAP Code. The Simple Mass Cancel field of the Mass Liquidity Cancel Request – Simple and Complex message has been enhanced to include new

⁸ A Standard quote is a quote submitted by a Market Maker that cancels and replaces the Market Maker’s previous Standard quote, if any. See Exchange Rule 517(a)(1).

⁹ A Standard quote may contain multiple SLAP codes.

¹⁰ The Exchange notes that there is no limit on the number of Standard quotes that may be included in a SLAP group.

¹¹ The term “MPID” means unique Market Participant Identifier. See Exchange Rule 519C(a).

value “S” to indicate that the Mass Liquidity Cancel Request – Simple and Complex message is a Selective Liquidity Auto Purge (“SLAP request”).

The System will notify the Member that the SLAP request has been processed using the existing Mass Liquidity Cancel Response message. Additionally, the Mass Liquidity Cancel Response message has been modified to include new responses specifically related to SLAP requests to provide Members with more specific information regarding the status of their SLAP request should it not be successfully executed.

The Member will submit the existing Liquidity Protection Reset Request message to re-enable the System to process Standard quotes with a SLAP code. The Liquidity Protection Reset Request message has been enhanced to include a value of “S” in the Simple Liquidity Reset field to indicate that the reset is for SLAP. Additionally, the Liquidity Protection Reset Request message includes SLAP Codes field to allow a reset for specific SLAP code groups.

The SLAP code is an additional, optional, field and as such Members may (i) include a SLAP code on a Standard quote; (ii) replace a Standard quote that does not contain a SLAP code to assign a SLAP code; (iii) replace a Standard quote that has a SLAP code to change it to a different SLAP code; or (iv) replace a Standard quote that contains a SLAP code to remove it.

To implement the SLAP feature the Exchange proposes to adopt new paragraph (d) to Rule 519C, Mass Cancellation of Trading Interest, to provide that a Member may use the Selective Liquidity Auto Purge (“SLAP”) feature for Standard quotes delivered via the MIAX Express Interface. Standard quotes submitted to the System may optionally contain one or more SLAP codes numbered 1 through 8. When a Member submits a SLAP request, Standard quotes with the corresponding MPID, underlying, and SLAP code will be removed from the System and new inbound Standard quotes with matching criteria will be blocked. The System will provide a

notification message to the Member regarding the status of the SLAP request. A Member must submit a SLAP reset request to the System to enable new incoming Standard quotes for the same MPID, underlying, and SLAP code. eQuotes are not eligible to receive a SLAP code.

The Exchange has analyzed its capacity and represents that it has the necessary systems capacity to handle the potential additional message traffic that may arise from the cancellation of quotes as a result of a SLAP request being received.

Implementation

The Exchange proposes to implement this functionality in Q3 of 2026 and will issue a Regulatory Circular notifying market participants of the exact date at least 30 days prior to implementation.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹² in general, and furthers the objectives of Section 6(b)(5) of the Act,¹³ 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange also believes the proposed rule change is consistent with the Section 6(b)(5)¹⁴ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ Id.

The Exchange believes the proposed changes remove 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 providing Market Makers with an additional risk management tool. Market Makers on the Exchange connect to the System via the MIAX Express Interface and have a heightened obligation on the Exchange and are required to submit continuous two-sided quotations in a certain number of series in their appointed classes for a certain percentage of time in each trading session,¹⁵ rendering them vulnerable to risk from market conditions. Market Makers are vulnerable to risk from market events that may cause them to receive executions before they can appropriately adjust their exposure in the market. The proposed rule change should instill additional confidence in Market Makers that submit quotes to the Exchange that there are adequate risk protections in place, and thus should encourage Market Makers to provide liquidity to the Exchange, thereby improving market quality for all participants. The Exchange believes that the proposed risk protection functionality promotes just and equitable principles of trade and helps to perfect the mechanisms of a free and open market and a national market system.

Without adequate risk management tools Market Makers could reduce the size of their quotations which could undermine the quality of the markets available to customers and other market participants. The ability of a Market Maker to engage the SLAP feature is a valuable tool in assisting Market Makers in risk management. The proposed rule change removes impediments to and perfects the mechanism of a free and open market by giving Market Makers greater control over their quotations in the market thereby removing impediments to and helping perfect the mechanisms of a free and open market and national market system and, in general,

¹⁵ See Exchange Rule 604(e).

protecting investors and the public interest. In addition, providing Market Makers with more tools for managing risk will facilitate transactions in securities because, as noted above, the Market Makers will have more confidence that protections are in place that reduce the risks from market events.

The Exchange believes its proposal is not unfairly discriminatory to EEMs as Market Makers have a heightened obligation on the Exchange and are obligated to submit continuous two-sided quotations in a certain number of series in their appointed classes for a certain percentage of time in each trading session,¹⁶ rendering them vulnerable to risk from market conditions. As such it is not unreasonable to provide Market Makers with certain tools to help Market Makers manage their market risk.

The ability of a Market Maker to engage the SLAP feature is a valuable tool in assisting Market Makers in risk management. Without adequate risk management tools Market Makers could reduce the size of their quotations which could undermine the quality of the markets available to customers and other market participants. The proposed rule change removes impediments to and is designed to perfect the mechanisms of a free and open market by giving Market Makers the ability to further refine their risk protections from an option class level to a specific subset of user defined groups. Accordingly, the SLAP feature is designed to provide Market Makers with greater control over their Standard quotes in the market, thereby removing impediments to and helping to perfect the mechanisms of a free and open market and a national market system and, in general, protecting investors and the public interest.

In addition, providing Market Makers with more tools for managing risk will facilitate transactions in securities because, as noted above, Members will have more confidence that

¹⁶ See supra note 15.

protections are in place that reduce the risks from market events. As a result, the new functionality has the potential to promote just and equitable principles of trade.

The proposed rule change removes impediments to and is designed to perfect the mechanisms of a free and open market by giving Market Makers more granular control over their Standard quotes by allowing Market Makers to create custom groupings of Standard quotes by MPID and underlying, and additional criteria, such as option or side of the market (buy or sell), by assigning up to eight different SLAP codes to each Standard quote. This flexibility allows Market Makers to group specific subsets of their Standard quotes based on their own risk requirements. The ability to group Standard quotes allows for the flexibility to submit cancel requests for a subset of Standard quotes tailored to varying levels of risk tolerance.

The Exchange believes the proposed changes remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest, and promote a fair and orderly market by excluding eQuotes from SLAP functionality. eQuotes are used on the Exchange for specific purposes and have default time in force values which correspond to the specific purpose of the eQuote.

Specifically, the Exchange supports Opening Only eQuotes (“OPG”), Auction or Cancel eQuotes (“AOC”), Immediate or Cancel eQuotes, and Intermarket Sweep eQuotes. An OPG eQuote is a quote that can be submitted by a Market Maker only during the Opening as set forth in Rule 503. An OPG eQuote does not automatically cancel or replace the Market Maker’s previous Standard quote or eQuote. OPG eQuotes automatically expire at the end of the Opening Process.¹⁷ An AOC eQuote is a quote submitted by a Market Maker to provide liquidity in a specific Exchange process (such as the Opening Imbalance Process described in Rule 503) with a

¹⁷ See Exchange Rule 517(a)(2)(iii).

time in force that corresponds with the duration of that event and will automatically expire at the end of that event. AOC eQuotes are not displayed to any market participant, are not included in the MBBO and therefore are not eligible for trading outside of the event. An AOC eQuote does not automatically cancel or replace the Market Maker's previous Standard quote or eQuote.¹⁸

An immediate or cancel or "IOC" eQuote is an eQuote submitted by a Market Maker that must be matched with another quote or order for an execution in whole or in part upon receipt into the System. Any portion of the IOC eQuote not executed will be immediately canceled. An IOC eQuote does not automatically cancel or replace the Market Maker's previous Standard quote or eQuote. An IOC eQuote is not valid during the opening rotation process described in Rule 503.¹⁹

A Market Maker may submit an intermarket sweep eQuote to the Exchange only if it has simultaneously routed one or more Intermarket Sweep Orders to execute against the full displayed size of any Protected Bid (as defined in Rule 1400(p)), in the case of an intermarket sweep offer to sell, or Protected Offer (as defined in Rule 1400(p)), in the case of an intermarket sweep bid to buy, an option with a price that is superior to the intermarket sweep eQuote.

Intermarket sweep eQuotes that are not designated as immediate or cancel will be cancelled by the System if not executed upon receipt. Intermarket sweep eQuotes do not automatically cancel or replace the Market Maker's previous Standard quote or eQuote. An intermarket sweep eQuote is not valid during the opening rotation process described in Rule 503.²⁰ None of the eQuotes discussed above rest on the Book²¹ and therefore do not require the risk protection that is proposed for Standard quotes.

¹⁸ See Exchange Rule 517(a)(2)(ii).

¹⁹ See Exchange Rule 517(a)(2)(iv).

²⁰ See Exchange Rule 517(a)(2)(v).

²¹ The term "Book" means the electronic book of buy and sell orders and quotes maintained by the System. See Exchange Rule 100.

The Exchange notes that the proposed rule change will not relieve Exchange Market Makers of their continuous quoting obligations under Exchange Rule 604²² or any other obligation under the Rules of the Exchange, or any obligations arising under Reg NMS Rule 602.²³ Nor will the proposed rule change prohibit the Exchange from taking disciplinary action against a Market Maker for failing to meet their continuous quoting obligation each trading day.

Additionally, the Exchange notes that the proposed rule change is substantially similar to a rule that is currently operative on the Exchange's affiliate, the MIAX Pearl Options Exchange ("MIAX Pearl").²⁴ MIAX Options has two types of Members; Market Makers²⁵ and Electronic Exchange Members ("EEMs").²⁶ On MIAX Options Market Makers connect to the Exchange via the MIAX Express Interface ("MEI") connection²⁷ which is used to provide quotations²⁸ to the market and Electronic Exchange Members connect to the Exchange using the MIAX FIX Order Interface ("FOI").

²² Id.

²³ 17 CFR 242.602.

²⁴ See MIAX Pearl Options Exchange Rule 519C(e).

²⁵ The term MIAX Options "Market Makers" refers to "Lead Market Makers", "Primary Lead Market Makers" and "Registered Market Makers" on MIAX Options Exchange collectively. See MIAX Options Exchange Rule 100.

²⁶ The term MIAX Options "Electronic Exchange Member" means the holder of a Trading Permit who is not a Market Maker. Electronic Exchange Members are deemed "members" under the Exchange Act. See MIAX Options Exchange Rule 100.

²⁷ See supra note 4.

²⁸ The term "quote" or "quotation" means a bid or offer entered by a Market Maker that is firm and may update the Market Maker's previous quote, if any. The Rules of the Exchange provide for the use of different types of quotes, including Standard quotes and eQuotes, as more fully described in MIAX Options Exchange Rule 517. A Market Maker may, at times, choose to have multiple types of quotes active in an individual option. See MIAX Options Exchange Rule 100.

Similarly, MIAX Pearl has two types of Members; Market Makers²⁹ and Electronic Exchange Members.³⁰ MIAX Pearl also offers a MIAX Express Order (MEO”) Interface³¹ connection and a FIX Order Interface (“FOI”) connection to its Members. Similar to this proposal, SLAP functionality is available on MIAX Pearl via the MEO Interface, which is analogous to the MEI Interface on MIAX Options. However, on MIAX PEARL, Market Makers and EEMs may connect to the System using either the MEO Interface or the FOI.

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. The Exchange believes that the proposed rule change will foster competition by providing Market Makers with an additional risk management tool that will allow Exchange Market Makers to compete for executions and order flow.

Additionally, the Exchange believes that the proposed rule change should promote competition as it is designed to allow Members greater flexibility and control of their risk exposure to protect them from market conditions that may increase their risk exposure in the market. The Exchange does not believe the proposed rule change will impose a burden on intra-market competition as the optional risk protection feature is equally available to all Market Makers on the Exchange.

²⁹ The term “Market Maker” or “MM” means a Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter VI of the MIAX Pearl Rules. See MIAX Pearl Exchange Rule 100.

³⁰ The term “Electronic Exchange Member” or “EEM” means the holder of a Trading Permit who is a Member representing as agent Public Customer Orders or Non-Customer Orders on the Exchange and those non-Market Maker Members conducting proprietary trading. Electronic Exchange Members are deemed “members” under the Exchange Act. See MIAX Pearl Exchange Rule 100.

³¹ The term “MEO Interface” means a binary order interface used for submitting certain order types (as set forth in MIAX Pearl Rule 516) to the MIAX Pearl System. See MIAX Pearl Exchange Rule 100.

The Exchange believes that the proposed rule change should promote inter-market competition as the proposal is designed to allow Members greater flexibility and control over their risk exposure in order to protect them from market risk or events that may increase their exposure in the market. Additionally, the proposed rule change should instill additional confidence in Market Makers that submit quotes to the Exchange that there are adequate risk protections in place, and thus should encourage Market Makers to provide liquidity to the Exchange, thereby promoting inter-market competition.

For all the reasons stated, the Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, and believes the proposed change will enhance competition.

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

Pursuant to Section 19(b)(3)(A) of the Act³² and Rule 19b-4(f)(6)³³ 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.

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

³² 15 U.S.C. 78s(b)(3)(A).

³³ 17 CFR 240.19b-4(f)(6).

action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-MIAX-2026-22 on the subject line.

Paper Comments:

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

All submissions should refer to file number SR-MIAX-2026-22. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold

entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-MIAX-2026-22 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁴

Sherry R. Haywood,

Assistant Secretary.

³⁴ 17 CFR 200.30-3(a)(12).