

OMB APPROVAL

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Page 1 of \* 31

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

File No.\* SR - 2013 - \* 16

Amendment No. (req. for Amendments \*)

Filing by Miami International Securities Exchange, LLC.  
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial \*  Amendment \*  Withdrawal  Section 19(b)(2) \*  Section 19(b)(3)(A) \*  Section 19(b)(3)(B) \*

Pilot  Extension of Time Period for Commission Action \*  Date Expires \*

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

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

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 \*).

Amend MIAX Options 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 \* James Last Name \* Morgan

Title \* Associate Counsel

E-mail \* jmorgan@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 04/05/2013

Senior Counsel

By Richard S. Rudolph

(Name \*)

Richard Rudolph, rrudolph@miami

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.

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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 \***

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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 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**

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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”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> proposes to modify the MIAX Fee Schedule (“Fee Schedule”) to establish fees for option contracts overlying 10 shares of a security (“Mini Options”). The Exchange proposes to implement these fee changes to coincide with the Exchange’s listing and trading of Mini Options on April 17, 2013.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and a copy of the proposed 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 5, 2012. 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 James C. Morgan, Associate Counsel and Assistant Vice President, at (609) 897-1484

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 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 modify the Fee Schedule to establish fees for Mini Options. The Exchange represented in its filing with the Securities and Exchange Commission (“SEC” or the “Commission”) to establish Mini Options that, “the current schedule of Fees will not apply to the trading of mini-options contracts. The Exchange will not commence trading of mini-option contracts until specific fees for mini-options contracts trading have been filed with the Commission.”<sup>3</sup> As the Exchange intends to begin trading Mini Options on April 17, 2013 it is submitting this filing to describe the transaction fees that will be applicable to the trading of Mini Options.

Mini Options have a smaller exercise and assignment value due to the reduced number of shares they deliver as compared to standard option contracts. As such, the Exchange is proposing generally lower per contract fees as compared to standard option contracts, with some exceptions to be fully described below. Despite the smaller exercise and assignment value of a Mini Option, the cost to the Exchange to process quotes and orders in Mini Options, perform regulatory surveillance and retain quotes and orders for archival purposes is the same as for a standard contract. This leaves the Exchange in a position of trying to strike the right balance of fees applicable to Mini Options – too low and the costs of processing Mini Options quotes and orders will necessarily cause the Exchange to either raise fees for everyone or only for participants trading Mini Options; too high and participants may be deterred from trading Mini Options, leaving the Exchange less able to recoup costs associated with development of the product, which is designed to offer investors a way to take less risk in high dollar securities. The

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<sup>3</sup> See Securities Exchange Act Release No. 69136 (March 14, 2013), 78 FR 17259 (March 20, 2013) (SR-MIAX-2013-06).

Exchange, therefore, believes that adopting fees for Mini Options that are in some cases lower than fees for standard contracts, and in other cases the same as for standard contracts, is appropriate, not unreasonable, not unfairly discriminatory and not burdensome on competition between participants, or between the Exchange and other exchanges in the listed options market place.

#### Exchange Transaction Fees

The Exchange proposes establishing Mini Options transaction fees for all Market Makers and other market participants that would be 10% of the fee associated with standard options. The Mini Options transaction fee, as its standard option counterpart, would apply per executed contract to Registered Market Makers, Lead Market Makers, Directed Order-Lead Market Makers, Primary Lead Market Makers, Directed Order-Primary Lead Market Makers, Public Customers that are not Priority Customers, Non-MIAX Market Makers, Non-Member Broker-Dealers, and Firms. Below is a chart providing a comparison of the transaction fees for standard options and to the proposed fees for Mini Options:

<b>Type of MIAX Market Maker</b>	<b>Standard Options Transaction Fee (per executed contract)</b>	<b>Mini Options Transaction Fee (per executed contract)</b>
<i>Registered Market Maker</i>	<b>\$ 0.23</b>	<b>\$ 0.023</b>
<i>Lead Market Maker</i>	<b>\$ 0.20</b>	<b>\$ 0.020</b>
<i>Directed Order—Lead Market Maker</i>	<b>\$ 0.18</b>	<b>\$ 0.018</b>
<i>Primary Lead Market Maker</i>	<b>\$ 0.18</b>	<b>\$ 0.018</b>
<i>Directed Order— Primary Lead Market Maker</i>	<b>\$ 0.16</b>	<b>\$ 0.016</b>
<i>Priority Customer</i>	<b>\$ 0.00</b>	<b>\$ 0.000</b>
<i>Public Customer that is Not a Priority Customer</i>	<b>\$ 0.25</b>	<b>\$ 0.025</b>
<i>Non-MIAX Market Maker</i>	<b>\$ 0.45</b>	<b>\$ 0.045</b>
<i>Non-Member Broker-Dealer</i>	<b>\$ 0.45</b>	<b>\$ 0.045</b>
<i>Firm</i>	<b>\$ 0.25</b>	<b>\$ 0.025</b>

In proposing Mini Options transaction fees that are 10% of the related standard option transaction fee, the Exchange acknowledges and takes into account that Mini Options have a smaller exercise and assignment value due to the reduced number of shares to be delivered as compared to standard option contracts. The Mini Options transaction fee charged to Priority Customers<sup>4</sup> would remain at \$0.00 because the transaction fee for standard options, currently set at \$0.00, cannot be reduced any lower.

### Marketing Fee

Currently, the Exchange assesses a Marketing Fee to all Market Makers for contracts they execute in their assigned classes when the contra-party to the execution is a Priority Customer. The Exchange proposes assessing a Marketing Fee for applicable transactions in Mini Options and setting the fee to be 10% of the associated fee for standard options. As noted above, the Exchange bases this proposal on the smaller exercise and assignment value due to the reduced number of shares to be delivered with Mini Options as compared to standard option contracts. Below is a chart providing a comparison of the Marketing Fees for standard options and to the proposed fees for Mini Options:

<b>Amount of Marketing Fee Assessed</b>	<b>Option Classes</b>
<b>\$0.70 (per contract)</b>	Transactions in Standard Option Classes that are not in the Penny Pilot Program
<b>\$0.25 (per contract)</b>	Transactions in Standard Option Classes that are in the Penny Pilot Program
<b>\$0.070 (per contract)</b>	Transactions in Mini Options where the corresponding Standard Option is not in the Penny Pilot Program
<b>\$0.025 (per contract)</b>	Transactions in Mini Options where the corresponding Standard Option is in the Penny Pilot Program

<sup>4</sup> 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.

Fixed Fee Surcharge

In order to comply with the requirements of the Distributive Linkage Plan,<sup>5</sup> the Exchange uses various means of accessing better priced interest located on other exchanges. Presently, the Exchange charges a Fixed Fee Surcharge of \$0.10 per contract plus a pass through of the fees associated with the execution of the routed order on the other exchanges. The \$0.10 is designed to recover the Exchange's costs in routing orders to the other exchanges. Those costs include clearance charges imposed by The Options Clearing Corporation ("OCC") and per contract routing fees charged by the broker dealers who charge the Exchange for the use of their systems to route orders to other exchanges. It is the Exchange's understanding that both the OCC and the broker dealers have kept their charges applicable to Mini Options the same as for standard option contracts, as their cost to process a contract (i.e., routing or clearing) is the same irrespective of the exercise and assignment value of the contract. As such, the Exchange intends to charge the same Fixed Fee Surcharge for Mini Options as it presently does for standard options, as described in Section (1)(c) of the current Fee Schedule. The Exchange notes that participants can avoid the Fixed Fee Surcharge in several ways. First, they can simply route to the exchange with the best priced interest. The Exchange, in recognition of the fact that markets can move while orders are in flight, also offers participants the ability to utilize an order type that does not route to other exchanges. Specifically, the Do Not Route ("DNR") order modifier is one such order that would never route to another exchange. Given this ability to avoid the Fixed Fee Surcharge, coupled with the fixed third-party costs associated with routing, the Exchange believes it is reasonable to charge the same Routing Surcharge for Mini Options that is charged for standard option contracts.

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<sup>5</sup> See Exchange Rule 529.

Options Regulatory Fee

Presently the Exchange charges an Options Regulatory Fee (“ORF”) of \$0.004 per contract. The ORF is assessed on each MIAX Member for all options transactions executed or cleared by the MIAX Member that are cleared by the OCC in the customer range, regardless of the exchange on which the transaction occurs. The Exchange is proposing to charge the same rate for transactions in Mini Options, \$0.004 per contract, since, as noted, the costs to the Exchange to process quotes, orders, trades and the necessary regulatory surveillance programs and procedures in Mini Options are the same as for standard option contracts. As such, the Exchange feels that it is appropriate to charge the ORF at the same rate as the standard option contract.

b. Statutory Basis

MIAX believes that its proposal to amend fee schedule is consistent with Section 6(b) of the Act<sup>6</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>7</sup> in particular, in that it is an equitable allocation of reasonable fees and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange noted earlier that, while Mini Options have a smaller exercise and assignment value due to the reduced number of shares to be delivered as compared to standard option contracts, and despite the smaller exercise and assignment value of a Mini Option, the cost to the Exchange to process quotes and orders in Mini Options, perform regulatory surveillance and retain quotes and orders for archival purposes is the same as for a standard

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<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(4).



contract. This leaves the Exchange in a position of trying to strike the right balance of fees applicable to Mini Options – too low and the costs of processing Mini Options quotes and orders will necessarily cause the Exchange to either raise fees for everyone or only for participants trading Mini Options; too high and participants may be deterred from trading Mini Options, leaving the Exchange less able to recoup costs associated with development of the product, which is designed to offer investors a way to take less risk in high dollar securities. Given these realities, the Exchange believes that adopting fees for Mini Options that are in some cases lower than standard contracts, and in other cases the same as for standard contracts, is appropriate, not unreasonable, not unfairly discriminatory and not burdensome on competition between participants, or between the Exchange and other exchanges in the listed options market place.

In the case of most trade related charges, the Exchange has decided to offer lower per contract fees to participants as part of trying to strike the right balance between recovering costs associated with trading Mini Options and encouraging use of the new Mini Option contracts, which are designed to allow investors to reduce risk in high dollar underlying securities.

The Exchange proposal to establish transaction fees applicable to Market Makers and all other participants to be 10% of the fee charged for standard options is reasonable in light of the fact that the Mini Options do have a smaller exercise and assignment value, specifically 1/10th that of a standard option contract. The Exchange's proposal is based on the already established classification of Market Makers and other market participants for standard option contracts, which is an effective fee on the Exchange and has not been determined to be inequitable or unfairly discriminatory. Therefore, the Exchange believes the proposed pricing for Mini Options to be equitable and not unfairly discriminatory as it would apply to all members of a given class

(i.e., the Mini Options transaction fee for Register Market Makers would apply to all Register Market Makers).

The Exchange believes the proposal to charge Priority Customers \$.00 per contract to be reasonable, as Priority Customers have traded for free all options on the Exchange since the inception of the Exchange. The ability to trade for free attracts Priority Customer order flow to the Exchange, which is beneficial to all other participants on the Exchange who generally seek to trade with Priority Customer order flow. The proposed fee of \$.00 per contract is the same fee charged to Priority Customer orders in standard option contracts, which is an effective fee on the Exchange and has not been determined to be inequitable or unfairly discriminatory. Therefore, the proposed Priority Customer pricing for Mini Options would be equitable and not unfairly discriminatory.

The Exchange believes its proposal to assess a Marketing Fee to all Market Makers for Mini Options contracts they execute in their assigned classes when the contra-party to the execution is a Priority Customer with such Marketing Fee set at 10% of the related fee charged for standard options to be reasonable in light of the fact that the Minis do have a smaller exercise and assignment value, specifically 1/10<sup>th</sup> that of a standard contract. The Exchange does not believe its proposal to be unfairly discriminatory because it applies to all applicable Market Makers evenly.

The Exchange proposal to treat Mini Options the same as standard options for purposes of the Fixed Fee Surcharge is reasonable, equitable and not unfairly discriminatory for the following reasons. Presently, the Exchange charges a Routing Surcharge of \$0.10 per contract plus a pass through of the fees associated with the execution of the routed order on the other exchanges. The \$0.10 is designed to recover the Exchange's costs in routing orders to the other

exchanges. Those costs include clearance charges imposed by the OCC and per contract routing fees charged by the broker dealers who charge the Exchange for the use of their systems to route orders to other exchanges. The Exchange understands that both the OCC and the broker dealers have kept their charges applicable to Mini Options the same as for standard option contracts, as their cost to process a contract (i.e., routing or clearing) is the same irrespective of the exercise and assignment value of the contract. As such, the Exchange intends to charge the same Fixed Fee Surcharge for Mini Options as it presently does for standard options, as described in Section (1)(c) of the current Fee Schedule. The Exchange notes that participants can avoid the Fixed Fee Surcharge in several ways. First they can simply route to the exchange with the best priced interest. The Exchange, in recognition of the fact that markets can move while orders are in flight, also offers participants the ability to utilize an order type that does not route to other exchanges. Specifically, the DNR order type is an order that would never route to another exchange. Given this ability to avoid the Fixed Fee Surcharge, coupled with the fixed third party costs associated with routing, the Exchange feels it is reasonable and equitable to charge the same Fixed Fee Surcharge for Mini Options that is charged for standard option contracts. Since the Fixed Fee Surcharge will apply to all participants in Mini Options as it is applied for standard options, and because such surcharge has not previously been found to be unreasonable, inequitable or unfairly discriminatory, the Exchange believes it is the case for Mini Options as well.

The Exchange notes, particularly in the context of the ORF, that the cost to perform surveillance to ensure compliance with various Exchange and industry-wide rules is no different for a Mini Option than it is for a standard option contract. Reducing the ORF for Mini options could result in a higher ORF for standard options. Such an outcome would arguably be

discriminatory towards investors in standard options for the benefit of investors in Minis. As such, the appropriate approach is to treat both Mini Options and standard options the same with respect to the amount of the ORF that is being charged.

**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 proposed change designed to provide greater specificity and precision within the Fee Schedule with respect to the fees that will be applicable to Mini Options when they begin trading on the Exchange on or about April 17, 2013.

The Exchange believes that adopting fees for Mini Options that are in some cases lower than for standard contracts, but in other cases the same as for standard contracts, strikes the appropriate balance between fees applicable to standard contracts versus fees applicable to Mini Options, and will not impose a burden on competition among various market participants on the Exchange, or between the Exchange and other exchanges in the listed options market place, not necessary or appropriate in furtherance of the purposes of the Act. In this regard, as Mini Options are a new product being introduced into the listed options marketplace, the Exchange is unable at this time to absolutely determine the impact that the fees proposed herein will have on trading in Mini Options. That said, however, the Exchange believes that the rates proposed for Mini Options, would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Finally, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with

other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

**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,<sup>8</sup> and Rule 19b-4(f)(2) thereunder<sup>9</sup> 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.

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

The Exchange's proposal to keep the Fixed Fee the same for Mini Options as what is charged for standard options is based on similar decisions made by other option exchanges – such as NYSE MKT LLC (“NYSE MKT”), NYSE Arca, Inc. (“NYSE Arca”), and the Chicago Board Options Exchange, Inc (“CBOE”).<sup>10</sup>

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>9</sup> 17 CFR 240.19b-4.

<sup>10</sup> See Securities Release No. 69247 (March 27, 2013) 78 FR 19777 (April 2, 2013)(SR-NYSEMKT-2013-24); Securities Release No. 69246 (March 27, 2013) 78 FR 19784 (April 2, 2013)(SR-NYSEArca-2013-25); and Securities Release No. 69258 (March 29, 2013) (SR-CBOE-2013-038).

The Exchange's proposal to keep the Options Regulatory Fee the same for Mini Options as what is charged for standard options is based on similar decisions made by other option exchanges – such as NYSE MKT, NYSE Arca, and CBOE.<sup>11</sup>

**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. A copy of the MIAX Options Fee Schedule.

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<sup>11</sup> Ibid.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-MIAX-2013-16

April \_\_, 2013

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

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 5, 2013, 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 modify the MIAX Fee Schedule (“Fee Schedule”) to establish fees for option contracts overlying 10 shares of a security (“Mini Options”). The Exchange proposes to implement these fee changes to coincide with the Exchange’s listing and trading of Mini Options on April 17, 2013.

The text of the proposed rule change is provided in Exhibit 5. The text of the proposed rule change is also available on the Exchange’s website at [http://www.miaxoptions.com/filter/wotitle/rule\\_filing](http://www.miaxoptions.com/filter/wotitle/rule_filing), at MIAX’s principal office, and at the Commission’s Public Reference Room.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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 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 modify the Fee Schedule to establish fees for Mini Options. The Exchange represented in its filing with the Securities and Exchange Commission (“SEC” or the “Commission”) to establish Mini Options that, “the current schedule of Fees will not apply to the trading of mini-options contracts. The Exchange will not commence trading of mini-option contracts until specific fees for mini-options contracts trading have been filed with the Commission.”<sup>3</sup> As the Exchange intends to begin trading Mini Options on April 17, 2013 it is submitting this filing to describe the transaction fees that will be applicable to the trading of Mini Options.

Mini Options have a smaller exercise and assignment value due to the reduced number of shares they deliver as compared to standard option contracts. As such, the Exchange is proposing generally lower per contract fees as compared to standard option contracts, with some exceptions to be fully described below. Despite the smaller exercise and assignment value of a Mini Option, the cost to the Exchange to process quotes and orders in Mini Options, perform regulatory surveillance and retain quotes and orders for archival purposes is the same as for a standard

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<sup>3</sup> See Securities Exchange Act Release No. 69136 (March 14, 2013), 78 FR 17259 (March 20, 2013) (SR-MIAX-2013-06).



contract. This leaves the Exchange in a position of trying to strike the right balance of fees applicable to Mini Options – too low and the costs of processing Mini Options quotes and orders will necessarily cause the Exchange to either raise fees for everyone or only for participants trading Mini Options; too high and participants may be deterred from trading Mini Options, leaving the Exchange less able to recoup costs associated with development of the product, which is designed to offer investors a way to take less risk in high dollar securities. The Exchange, therefore, believes that adopting fees for Mini Options that are in some cases lower than fees for standard contracts, and in other cases the same as for standard contracts, is appropriate, not unreasonable, not unfairly discriminatory and not burdensome on competition between participants, or between the Exchange and other exchanges in the listed options market place.

#### Exchange Transaction Fees

The Exchange proposes establishing Mini Options transaction fees for all Market Makers and other market participants that would be 10% of the fee associated with standard options. The Mini Options transaction fee, as its standard option counterpart, would apply per executed contract to Registered Market Makers, Lead Market Makers, Directed Order-Lead Market Makers, Primary Lead Market Makers, Directed Order-Primary Lead Market Makers, Public Customers that are not Priority Customers, Non-MIAX Market Makers, Non-Member Broker-Dealers, and Firms. Below is a chart providing a comparison of the transaction fees for standard options and to the proposed fees for Mini Options:

<b>Type of MIAX Market Maker</b>	<b>Standard Options Transaction Fee (per executed contract)</b>	<b>Mini Options Transaction Fee (per executed contract)</b>
<i>Registered Market Maker</i>	<b>\$ 0.23</b>	<b>\$ 0.023</b>
<i>Lead Market Maker</i>	<b>\$ 0.20</b>	<b>\$ 0.020</b>
<i>Directed Order—Lead Market Maker</i>	<b>\$ 0.18</b>	<b>\$ 0.018</b>
<i>Primary Lead Market Maker</i>	<b>\$ 0.18</b>	<b>\$ 0.018</b>
<i>Directed Order— Primary Lead Market Maker</i>	<b>\$ 0.16</b>	<b>\$ 0.016</b>
<i>Priority Customer</i>	<b>\$ 0.00</b>	<b>\$ 0.000</b>
<i>Public Customer that is Not a Priority Customer</i>	<b>\$ 0.25</b>	<b>\$ 0.025</b>
<i>Non-MIAX Market Maker</i>	<b>\$ 0.45</b>	<b>\$ 0.045</b>
<i>Non-Member Broker-Dealer</i>	<b>\$ 0.45</b>	<b>\$ 0.045</b>
<i>Firm</i>	<b>\$ 0.25</b>	<b>\$ 0.025</b>

In proposing Mini Options transaction fees that are 10% of the related standard option transaction fee, the Exchange acknowledges and takes into account that Mini Options have a smaller exercise and assignment value due to the reduced number of shares to be delivered as compared to standard option contracts. The Mini Options transaction fee charged to Priority Customers<sup>4</sup> would remain at \$0.00 because the transaction fee for standard options, currently set at \$0.00, cannot be reduced any lower.

#### Marketing Fee

Currently, the Exchange assesses a Marketing Fee to all Market Makers for contracts they execute in their assigned classes when the contra-party to the execution is a Priority Customer. The Exchange proposes assessing a Marketing Fee for applicable transactions in Mini Options and setting the fee to be 10% of the associated fee for standard options. As noted above, the Exchange bases this proposal on the smaller exercise and assignment value due to the reduced number of shares to be delivered with Mini Options as compared to standard option contracts.

<sup>4</sup> 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.

Below is a chart providing a comparison of the Marketing Fees for standard options and to the proposed fees for Mini Options:

Amount of Marketing Fee Assessed	Option Classes
<b>\$0.70</b> (per contract)	Transactions in Standard Option Classes that are not in the Penny Pilot Program
<b>\$0.25</b> (per contract)	Transactions in Standard Option Classes that are in the Penny Pilot Program
<b>\$0.070</b> (per contract)	Transactions in Mini Options where the corresponding Standard Option is not in the Penny Pilot Program
<b>\$0.025</b> (per contract)	Transactions in Mini Options where the corresponding Standard Option is in the Penny Pilot Program

### Fixed Fee Surcharge

In order to comply with the requirements of the Distributive Linkage Plan,<sup>5</sup> the Exchange uses various means of accessing better priced interest located on other exchanges. Presently, the Exchange charges a Fixed Fee Surcharge of \$0.10 per contract plus a pass through of the fees associated with the execution of the routed order on the other exchanges. The \$0.10 is designed to recover the Exchange's costs in routing orders to the other exchanges. Those costs include clearance charges imposed by The Options Clearing Corporation ("OCC") and per contract routing fees charged by the broker dealers who charge the Exchange for the use of their systems to route orders to other exchanges. It is the Exchange's understanding that both the OCC and the broker dealers have kept their charges applicable to Mini Options the same as for standard option contracts, as their cost to process a contract (i.e., routing or clearing) is the same irrespective of the exercise and assignment value of the contract. As such, the Exchange intends to charge the same Fixed Fee Surcharge for Mini Options as it presently does for standard options, as described in Section (1)(c) of the current Fee Schedule. The Exchange notes that participants can avoid the Fixed Fee Surcharge in several ways. First, they can simply route to the exchange with

<sup>5</sup> See Exchange Rule 529.

the best priced interest. The Exchange, in recognition of the fact that markets can move while orders are in flight, also offers participants the ability to utilize an order type that does not route to other exchanges. Specifically, the Do Not Route (“DNR”) order modifier is one such order that would never route to another exchange. Given this ability to avoid the Fixed Fee Surcharge, coupled with the fixed third-party costs associated with routing, the Exchange believes it is reasonable to charge the same Routing Surcharge for Mini Options that is charged for standard option contracts.

### Options Regulatory Fee

Presently the Exchange charges an Options Regulatory Fee (“ORF”) of \$0.004 per contract. The ORF is assessed on each MIAX Member for all options transactions executed or cleared by the MIAX Member that are cleared by the OCC in the customer range, regardless of the exchange on which the transaction occurs. The Exchange is proposing to charge the same rate for transactions in Mini Options, \$0.004 per contract, since, as noted, the costs to the Exchange to process quotes, orders, trades and the necessary regulatory surveillance programs and procedures in Mini Options are the same as for standard option contracts. As such, the Exchange feels that it is appropriate to charge the ORF at the same rate as the standard option contract.

## 2. Statutory Basis

MIAX believes that its proposal to amend fee schedule is consistent with Section 6(b) of the Act<sup>6</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>7</sup> in particular, in that it is an equitable allocation of reasonable fees and other charges among its members, issuers and

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<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(4).

other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange noted earlier that, while Mini Options have a smaller exercise and assignment value due to the reduced number of shares to be delivered as compared to standard option contracts, and despite the smaller exercise and assignment value of a Mini Option, the cost to the Exchange to process quotes and orders in Mini Options, perform regulatory surveillance and retain quotes and orders for archival purposes is the same as for a standard contract. This leaves the Exchange in a position of trying to strike the right balance of fees applicable to Mini Options – too low and the costs of processing Mini Options quotes and orders will necessarily cause the Exchange to either raise fees for everyone or only for participants trading Mini Options; too high and participants may be deterred from trading Mini Options, leaving the Exchange less able to recoup costs associated with development of the product, which is designed to offer investors a way to take less risk in high dollar securities. Given these realities, the Exchange believes that adopting fees for Mini Options that are in some cases lower than standard contracts, and in other cases the same as for standard contracts, is appropriate, not unreasonable, not unfairly discriminatory and not burdensome on competition between participants, or between the Exchange and other exchanges in the listed options market place.

In the case of most trade related charges, the Exchange has decided to offer lower per contract fees to participants as part of trying to strike the right balance between recovering costs associated with trading Mini Options and encouraging use of the new Mini Option contracts, which are designed to allow investors to reduce risk in high dollar underlying securities.

The Exchange proposal to establish transaction fees applicable to Market Makers and all other participants to be 10% of the fee charged for standard options is reasonable in light of the fact that the Mini Options do have a smaller exercise and assignment value, specifically 1/10th

that of a standard option contract. The Exchange's proposal is based on the already established classification of Market Makers and other market participants for standard option contracts, which is an effective fee on the Exchange and has not been determined to be inequitable or unfairly discriminatory. Therefore, the Exchange believes the proposed pricing for Mini Options to be equitable and not unfairly discriminatory as it would apply to all members of a given class (i.e., the Mini Options transaction fee for Register Market Makers would apply to all Register Market Makers).

The Exchange believes the proposal to charge Priority Customers \$.00 per contract to be reasonable, as Priority Customers have traded for free all options on the Exchange since the inception of the Exchange. The ability to trade for free attracts Priority Customer order flow to the Exchange, which is beneficial to all other participants on the Exchange who generally seek to trade with Priority Customer order flow. The proposed fee of \$.00 per contract is the same fee charged to Priority Customer orders in standard option contracts, which is an effective fee on the Exchange and has not been determined to be inequitable or unfairly discriminatory. Therefore, the proposed Priority Customer pricing for Mini Options would be equitable and not unfairly discriminatory.

The Exchange believes its proposal to assess a Marketing Fee to all Market Makers for Mini Options contracts they execute in their assigned classes when the contra-party to the execution is a Priority Customer with such Marketing Fee set at 10% of the related fee charged for standard options to be reasonable in light of the fact that the Minis do have a smaller exercise and assignment value, specifically 1/10<sup>th</sup> that of a standard contract. The Exchange does not believe its proposal to be unfairly discriminatory because it applies to all applicable Market Makers evenly.

The Exchange proposal to treat Mini Options the same as standard options for purposes of the Fixed Fee Surcharge is reasonable, equitable and not unfairly discriminatory for the following reasons. Presently, the Exchange charges a Routing Surcharge of \$0.10 per contract plus a pass through of the fees associated with the execution of the routed order on the other exchanges. The \$0.10 is designed to recover the Exchange's costs in routing orders to the other exchanges. Those costs include clearance charges imposed by the OCC and per contract routing fees charged by the broker dealers who charge the Exchange for the use of their systems to route orders to other exchanges. The Exchange understands that both the OCC and the broker dealers have kept their charges applicable to Mini Options the same as for standard option contracts, as their cost to process a contract (i.e., routing or clearing) is the same irrespective of the exercise and assignment value of the contract. As such, the Exchange intends to charge the same Fixed Fee Surcharge for Mini Options as it presently does for standard options, as described in Section (1)(c) of the current Fee Schedule. The Exchange notes that participants can avoid the Fixed Fee Surcharge in several ways. First they can simply route to the exchange with the best priced interest. The Exchange, in recognition of the fact that markets can move while orders are in flight, also offers participants the ability to utilize an order type that does not route to other exchanges. Specifically, the DNR order type is an order that would never route to another exchange. Given this ability to avoid the Fixed Fee Surcharge, coupled with the fixed third party costs associated with routing, the Exchange feels it is reasonable and equitable to charge the same Fixed Fee Surcharge for Mini Options that is charged for standard option contracts. Since the Fixed Fee Surcharge will apply to all participants in Mini Options as it is applied for standard options, and because such surcharge has not previously been found to be unreasonable, inequitable or unfairly discriminatory, the Exchange believes it is the case for Mini Options as well.

The Exchange notes, particularly in the context of the ORF, that the cost to perform surveillance to ensure compliance with various Exchange and industry-wide rules is no different for a Mini Option than it is for a standard option contract. Reducing the ORF for Mini options could result in a higher ORF for standard options. Such an outcome would arguably be discriminatory towards investors in standard options for the benefit of investors in Minis. As such, the appropriate approach is to treat both Mini Options and standard options the same with respect to the amount of the ORF that is being charged.

**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 not necessary or appropriate in furtherance of the purposes of the Act. The proposed change designed to provide greater specificity and precision within the Fee Schedule with respect to the fees that will be applicable to Mini Options when they begin trading on the Exchange on or about April 17, 2013.

The Exchange believes that adopting fees for Mini Options that are in some cases lower than for standard contracts, but in other cases the same as for standard contracts, strikes the appropriate balance between fees applicable to standard contracts versus fees applicable to Mini Options, and will not impose a burden on competition among various market participants on the Exchange, or between the Exchange and other exchanges in the listed options market place, not necessary or appropriate in furtherance of the purposes of the Act. In this regard, as Mini Options are a new product being introduced into the listed options marketplace, the Exchange is unable at this time to absolutely determine the impact that the fees proposed herein will have on trading in Mini Options. That said, however, the Exchange believes that the rates proposed for Mini Options, would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.



Finally, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.<sup>8</sup> At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);

or

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-MIAX-2013-16 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-MIAX-2013-16. 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-2013-16 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.<sup>9</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>9</sup>17 CFR 200.30-3(a)(12).

**Exhibit 5***Brackets indicate deletions; underlying indicates new text***MIAX Options Fee Schedule**

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**1) Transaction Fees (Effective April 17 [January 2], 2013)****a) Exchange Fees****i) Market Maker Transaction Fees**

<b>Type of MIAX Market Maker</b>	<b><u>Standard Options Transaction Fee</u> (per executed contract)</b>	<b><u>Mini Options Transaction Fee</u> (per executed contract)</b>	<b>These fees will apply to all option classes traded on MIAX</b>
<i>Registered Market Maker</i>	<b>\$ 0.23</b>	<b><u>\$ 0.023</u></b>	See MIAX Rule 100 for the definition of Registered Market Maker ("RMM"). This fee is assessed to an RMM when the RMM is a party to a transaction.
<i>Lead Market Maker</i>	<b>\$ 0.20</b>	<b><u>\$ 0.020</u></b>	See MIAX Rule 100 for the definition of Lead Market Maker ("LMM"). This fee is assessed to an LMM when the LMM is a party to a transaction.
<i>Directed Order—Lead Market Maker</i>	<b>\$ 0.18</b>	<b><u>\$ 0.018</u></b>	This fee is assessed to an LMM when the LMM is a party to a transaction in one of its assigned option classes and the transaction being allocated to the LMM is the result of an order that has been directed to the LMM.
<i>Primary Lead Market Maker</i>	<b>\$ 0.18</b>	<b><u>\$ 0.018</u></b>	See MIAX Rule 100 for the definition of Primary Lead Market Maker ("PLMM"). This fee is assessed to a PLMM when the PLMM is a party to a transaction.
<i>Directed Order—Primary Lead Market Maker</i>	<b>\$ 0.16</b>	<b><u>\$ 0.016</u></b>	This fee is assessed to a PLMM when the PLMM is a party to a transaction in one of its assigned option classes and the transaction being allocated to the PLMM is the result of an order that has been directed to the PLMM.

## ii) Other Market Participant Transaction Fees

Types of Other Market Participants	<u>Standard Options Transaction Fee</u> (per executed contract)	<u>Mini Options Transaction Fee</u> (per executed contract)	These fees will apply to all option classes traded on MIAX
<i>Priority Customer<sup>1</sup></i>	<b>\$ 0.00</b>	<b><u>\$ 0.000</u></b>	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.
<i>Public Customer that is Not a Priority Customer</i>	<b>\$ 0.25</b>	<b><u>\$ 0.025</u></b>	This fee is assessed to an EEM that enters an order that is executed for the account of a Public Customer <sup>2</sup> 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. <sup>3</sup>
<i>Non-MIAX Market Maker</i>	<b>\$ 0.45</b>	<b><u>\$ 0.045</u></b>	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.
<i>Non-Member Broker-Dealer</i>	<b>\$ 0.45</b>	<b><u>\$ 0.045</u></b>	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.
<i>Firm</i>	<b>\$ 0.25</b>	<b><u>\$ 0.025</u></b>	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.

**b) Marketing Fee**

MIAX will assess a Marketing Fee to all Market Makers for contracts, including mini options, they execute in their assigned classes when the contra-party to the execution is a Priority Customer.

Members that are assigned as PLMMs and LMMs will have a Marketing Fee "pool" into which the Exchange will deposit the per-contract Marketing Fee for the appropriate transactions in option classes in which they are assigned as PLMM or LMM. For orders directed to an LMM or PLMM, applicable Marketing Fees are allocated to the LMM's or PLMM'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

<sup>1</sup> 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.

<sup>2</sup> The term "Public Customer" means a person that is not a broker or dealer in securities. See Exchange Rule 100.

<sup>3</sup> 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.

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
<b>\$0.70</b> (per contract)	Transactions in <u>Standard</u> Option Classes that are not in the Penny Pilot Program
<b>\$0.25</b> (per contract)	Transactions in <u>Standard</u> Option Classes that are in the Penny Pilot Program (a List of those <u>Standard</u> Option Classes in the Penny Pilot Program is available on the MIAX Website)
<b>\$0.070</b> (per contract)	<u>Transactions in Mini Options where the corresponding Standard Option is not in the Penny Pilot Program</u>
<b>\$0.025</b> (per contract)	<u>Transactions in Mini Options where the corresponding Standard Option is in the Penny Pilot Program</u> (a List of those Standard Option Classes in the Penny Pilot Program is available on the MIAX Website)

### c) Fees and Rebates for Customer Orders Routed to Another Options Exchange

MIAX will assess a Routing Fee to market participants on all Public Customer orders routed to and executed on an away market that is equal to the amount charged by the away market to which such orders were routed and executed. MIAX will also pay any rebate offered by an away market. Such market participants will also be assessed a Fixed Fee Surcharge by MIAX, which is added to the fee charged, or netted against the rebate paid, by an away market.

#### Fixed Fee Surcharge

\$0.10 per contract in addition to the actual transaction fee assessed, or less the rebate paid, by the away exchange. The Fixed Fee Surcharge applies to both Mini and Standard Option contracts.

## 2) Regulatory Fees

### a) Sales Value Fee

**Current Fee Rate: Defined amount per \$1,000,000 of the aggregate dollar amount of covered sales.**

The Sales Value Fee<sup>4</sup> is assessed by the Exchange to each Member for sales on the Exchange for which the Exchange is obligated to pay a fee to the SEC pursuant to Section 31 of the Exchange Act. The Sales Value Fee is equal to the Section 31 fee rate multiplied by the Member’s aggregate dollar amount of covered sales resulting from options transactions occurring on the Exchange during any computational period. To the extent there may be any excess monies collected under this rule, the Exchange may retain those monies to help fund general operating expenses. The sales transactions to which the fee applies are sales of options (other than options on a security index) and the sales of securities resulting from the exercise of physical-delivery options.

<sup>4</sup> For a detailed description of the Sales Value Fee, see MIAX Rule 1207

Sales Value Fee	Per Executed Sell Contract side and Sales of Securities Resulting from the Exercise of Physical Delivery Options (per million dollars in notional value)
All Classes	Rate set annually and sometimes adjusted semi-annually by the SEC. See <a href="http://www.sec.gov/divisions/marketreg/sec31info.htm">http://www.sec.gov/divisions/marketreg/sec31info.htm</a> for the current rate

**b) Options Regulatory Fee (Effective April 17 [January 2], 2013)**

The per-contract Options Regulatory Fee ("ORF") is assessed by MIAX to each MIAX Member for all options transactions, including Mini Options, executed and cleared, or simply cleared by the Member that are cleared by OCC in the "customer" range, regardless of the exchange on which the transaction occurs. The ORF is collected indirectly from Members through their clearing firms by OCC on behalf of MIAX.

Options Regulatory Fee (ORF)	Per Executed Contract side
All Classes	\$0.0040

c) No change.

3) – 6) No change.