

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 24	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2018 - * 02
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 * <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 checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 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) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input checked="" type="checkbox"/>	Exhibit 3 Sent As Paper Document <input checked="" 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 the 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 * Joseph Last Name * Ferraro

Title * Senior Vice President and Deputy General Counsel

E-mail * jferraro@miami-holdings.com

Telephone * (609) 897-8492 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 01/30/2018 Senior Vice President and Deputy General Counsel

By Joseph W. Ferraro III

(Name *)

jferraro@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 EFFS website.

Form 19b-4 Information *

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

Exhibit 1 - Notice of Proposed Rule Change *

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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 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 the MIAX Options Fee Schedule (the “Fee Schedule”).

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and a copy of the applicable section of the MIAX Options Fee Schedule is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the MIAX Options Board of Directors on December 7, 2017.

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 Joseph W. Ferraro, Senior Vice President and Deputy General Counsel, at 609-897-8492.

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 Section 1)a)iii) of the Fee Schedule to modify the volume threshold calculation methodology, in connection with the additional \$0.02 per contract rebate offered to Members³ for Priority Customer⁴ orders executed in the PRIME⁵ Auction as a PRIME Agency Order, pursuant to the Priority Customer Rebate Program.⁶

The Exchange currently offers Members the opportunity to qualify for an additional \$0.02 per contract rebate in connection with certain types of executions on the Exchange if the Member or its Affiliates⁷ meets certain qualifications. Specifically, any Member or its Affiliate

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 “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.

⁵ The MIAX Options Price Improvement Mechanism (“PRIME”) is a process by which a Member may electronically submit for execution (“Auction”) an order it represents as agent (“Agency Order”) against principal interest, and/or an Agency Order against solicited interest. For a complete description of PRIME and of PRIME order types and responses, see Exchange Rule 515A.

⁶ Under the Priority Customer Rebate Program, MIAX Options credits each Member the per contract amount resulting from each Priority Customer order transmitted by that Member which is executed electronically on the Exchange in all multiply-listed option classes (excluding certain orders specified in Section 1)a)iii) of the Fee Schedule), provided the Member meets certain percentage thresholds in a month as described in the Priority Customer Rebate Program table. See Section 1)a)iii) of the Fee Schedule.

⁷ “Affiliate” means (i) an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm’s Form BD, Schedule A, (“Affiliate”), or (ii) the Appointed Market Maker of an Appointed EEM (or, conversely, the Appointed EEM of an Appointed Market Maker). An “Appointed Market Maker” is a MIAX Market Maker (who does not otherwise have a corporate affiliation based upon common ownership with an EEM) that has been appointed by an EEM and an “Appointed EEM” is an EEM (who does not otherwise have a corporate affiliation based upon common

that qualifies for Priority Customer Rebate Program volume tiers 3 or higher is credited an additional \$0.02 per contract for each Priority Customer order executed in the PRIME Auction as a PRIME Agency Order, over a threshold of 1,500,000 contracts in a month. Volume is recorded for and credits are delivered to the Member that submits the order to the Exchange.

The Exchange proposes to modify the volume threshold calculation methodology in connection with that additional \$0.02 per contract rebate. The Exchange proposes to change the volume threshold calculation methodology from a fixed number of contracts per month (1,500,000 per month) to a percentage of national customer volume in multiply-listed options classes listed on MIAX Options per month. The proposed threshold is above 0.60% of national customer volume in multiply-listed options classes listed on MIAX Options during the relevant month. National customer volume is the total volume reported by the Options Clearing Corporation (“OCC”) in MIAX Options classes in the “customer” range. Specifically, the Exchange proposes that any Member or its Affiliate that qualifies for Priority Customer Rebate Program volume tiers 3 or higher will be credited an additional \$0.02 per contract for each Priority Customer order executed in the PRIME Auction as a PRIME Agency Order over a threshold of above 0.60% of national customer volume in multiply-listed options classes listed on MIAX Options during the relevant month.

There are no other changes to this rebate program. In particular, the Exchange currently excludes from the calculation certain types of orders, and those same types of orders will continue to be excluded using the new calculation methodology. Specifically, the Exchange excludes orders executed as QCC and cQCC Orders, mini-options, Priority Customer-to-Priority

ownership with a MIAX Market Maker) that has been appointed by a MIAX Market Maker, pursuant to the process described in the Fee Schedule. See Section 1)a)i) of the Fee Schedule.

Customer Orders, C2C and cC2C Orders, cPRIME Agency Orders, PRIME and cPRIME AOC Responses, PRIME and cPRIME Contra-side Orders, PRIME and cPRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Options Rule 1400. The Exchange will continue to exclude those same orders from this rebate program. The Exchange further notes that these exclusions are identical to the exclusions that apply to other aspects of the Priority Customer Rebate Program as well. There is also no change to the additional rebate amount of \$0.02 per contract.

The Exchange believes that changing the volume threshold calculation methodology from a fixed number of contracts per month (1,500,000 per month) to a percentage of national customer volume in multiply-listed options classes listed on MIAX Options per month (above 0.60% of national customer volume in multiply-listed options classes listed on MIAX Options during the relevant month) will result in a threshold that is more consistently proportional to national customer volume executed during the relevant month, as actual national customer volume often changes on a month-to-month basis. Since the Priority Customer Rebate Program is designed to encourage Members to execute greater Priority Customer volume on the Exchange, having a more consistent proportional measure in relation to the number of national customer volume executed in a given month will better align this particular rebate program to the core purpose of the Priority Customer Rebate Program. In turn, the Exchange believes that this change will further incentivize Members to execute a greater number of Priority Customer orders in the Exchange's PRIME Auction mechanism.

The Exchange believes that increased PRIME and Priority Customer volume will attract more liquidity to the Exchange, which benefits all market participants. Increased PRIME and Priority Customer order flow should attract liquidity providers, which in turn should make the MIAX Options marketplace an attractive venue where Market Makers may submit narrow quotations with greater size, deepening and enhancing the quality of the MIAX Options marketplace. This should provide more trading opportunities and tighter spreads for other market participants and result in a corresponding increase in order flow from such other market participants.

The credits paid out as part of the Priority Customer Rebate Program are drawn from the general revenues of the Exchange.⁸ The Exchange calculates volume thresholds on a monthly basis. The proposed rule change is scheduled to become operative on February 1, 2018.

b. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act⁹ in general, and furthers the objectives of Section 6(b)(4) of the Act¹⁰ in particular, in that it is an equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act in that it is designed to promote just and equitable principles of trade, 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

⁸ Despite providing credits under the Priority Customer Rebate Program, the Exchange represents that it will continue to have adequate resources to fund its regulatory program and fulfill its responsibilities as a self-regulatory organization while the Priority Customer Rebate Program is in effect.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(4) and (5).

interest and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

The Exchange believes that changing the volume threshold calculation methodology from a fixed number of contracts per month (1,500,000 per month) to a percentage of national customer volume in multiply-listed options classes listed on MIAX Options per month (above 0.60% of national customer volume in multiply-listed options classes listed on MIAX Options during the relevant month) in the Priority Customer Rebate Program for the additional \$0.02 rebate for Priority Customer orders submitted into PRIME as PRIME Agency is consistent with Section 6(b)(4) of the Act in that it is fair, equitable and not unreasonably discriminatory. The rebate program is reasonably designed because it incentivizes providers of Priority Customer order flow to send order flow to the Exchange and, upon meeting certain volume criteria, enables them to receive the credit in a manner that enables the Exchange to improve its overall competitiveness and strengthen its market quality for all market participants. The proposed change to the volume threshold calculation methodology is fair, equitable, and not unreasonably discriminatory because they will apply equally to all Priority Customer orders submitted as a PRIME Agency Order. All similarly situated Priority Customer orders are subject to the same rebate and volume calculations, and access to the Exchange is offered on terms that are not unfairly discriminatory. In addition, the proposed volume threshold calculation is equitable and not unfairly discriminatory because, while only Priority Customer order flow that is submitted as a PRIME Agency Order over the proposed threshold qualifies for the rebate, an increase in overall Priority Customer order flow will bring greater volume and liquidity, which benefits all market participants by providing more trading opportunities and tighter spreads. Market participants want to trade with Priority Customer order flow. To the extent Priority Customer

order flow is increased by the proposal, market participants will increasingly compete for the opportunity to trade on the Exchange including sending more orders and providing narrower and larger sized quotations in the effort to trade with such Priority Customer order flow.

The Exchange believes that the proposed rule change modifying the volume threshold calculation methodology for the \$0.02 rebate from a fixed number of contracts per month (1,500,000 per month) to a percentage of national customer volume in multiply-listed options classes listed on MIAX Options per month (above 0.60% of national customer volume in multiply-listed options classes listed on MIAX Options during the relevant month) is consistent with Section 6(b)(5) of the Act in that it promotes just and equitable principles of trade since the Exchange believes that it will result in a threshold that is more consistently proportional to national customer volume executed during the relevant month, as actual national customer volume often changes on a month-to-month basis. To the extent Member volume in Priority Customer orders and PRIME Agency Orders is increased by the proposal, market participants will increasingly compete for the opportunity to trade on the Exchange which could result in more liquidity on the Exchange. The Exchange believes that offering all such market participants the opportunity to lower transaction fees by incentivizing them to transact Priority Customer order flow in turn benefits all market participants.

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. The Exchange believes the proposal is consistent with robust competition by increasing the intermarket competition for order flow from market participants. To the extent that there is additional competitive burden on market participants without Priority Customer order flow and

those market participants that are not able to aggregate order flow with Affiliates, the Exchange believes that this should incent Members to direct volume to the Exchange in order to provide additional liquidity that enhances the quality of its markets and increases the volume of contracts traded here. To the extent that this purpose is achieved, all the Exchange's market participants should benefit from the improved market liquidity. Enhanced market quality and increased transaction volume that results from the anticipated increase in order flow directed to the Exchange will benefit all market participants and improve competition on the Exchange. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow. The Exchange believes that the proposal 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,¹¹ and Rule 19b-4(f)(2) thereunder¹² 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.

¹¹ 15 U.S.C. 78s(b)(3)(A)(ii).

¹² 17 CFR 240.19b-4.

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

Not applicable.

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

Not applicable.

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

Not applicable.

11. Exhibits

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

5. Applicable Section of the MIAX Options Fee Schedule.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-MIAX-2018-02)

January __, 2018

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

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 January 30, 2018, 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 the MIAX Options Fee Schedule (the “Fee Schedule”).

The text of the proposed rule change is available on the Exchange’s website at <http://www.miaxoptions.com/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 Section 1)a)iii) of the Fee Schedule to modify the volume threshold calculation methodology, in connection with the additional \$0.02 per contract rebate offered to Members³ for Priority Customer⁴ orders executed in the PRIME⁵ Auction as a PRIME Agency Order, pursuant to the Priority Customer Rebate Program.⁶

The Exchange currently offers Members the opportunity to qualify for an additional \$0.02 per contract rebate in connection with certain types of executions on the Exchange if the Member or its Affiliates⁷ meets certain qualifications. Specifically, any Member or its Affiliate

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 “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.

⁵ The MIAX Options Price Improvement Mechanism (“PRIME”) is a process by which a Member may electronically submit for execution (“Auction”) an order it represents as agent (“Agency Order”) against principal interest, and/or an Agency Order against solicited interest. For a complete description of PRIME and of PRIME order types and responses, see Exchange Rule 515A.

⁶ Under the Priority Customer Rebate Program, MIAX Options credits each Member the per contract amount resulting from each Priority Customer order transmitted by that Member which is executed electronically on the Exchange in all multiply-listed option classes (excluding certain orders specified in Section 1)a)iii) of the Fee Schedule), provided the Member meets certain percentage thresholds in a month as described in the Priority Customer Rebate Program table. See Section 1)a)iii) of the Fee Schedule.

⁷ “Affiliate” means (i) an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm’s Form BD, Schedule A, (“Affiliate”), or (ii) the Appointed Market Maker of an Appointed EEM (or, conversely, the Appointed EEM of an Appointed Market Maker). An “Appointed Market Maker” is a MIAX Market

that qualifies for Priority Customer Rebate Program volume tiers 3 or higher is credited an additional \$0.02 per contract for each Priority Customer order executed in the PRIME Auction as a PRIME Agency Order, over a threshold of 1,500,000 contracts in a month. Volume is recorded for and credits are delivered to the Member that submits the order to the Exchange.

The Exchange proposes to modify the volume threshold calculation methodology in connection with that additional \$0.02 per contract rebate. The Exchange proposes to change the volume threshold calculation methodology from a fixed number of contracts per month (1,500,000 per month) to a percentage of national customer volume in multiply-listed options classes listed on MIAX Options per month. The proposed threshold is above 0.60% of national customer volume in multiply-listed options classes listed on MIAX Options during the relevant month. National customer volume is the total volume reported by the Options Clearing Corporation (“OCC”) in MIAX Options classes in the “customer” range. Specifically, the Exchange proposes that any Member or its Affiliate that qualifies for Priority Customer Rebate Program volume tiers 3 or higher will be credited an additional \$0.02 per contract for each Priority Customer order executed in the PRIME Auction as a PRIME Agency Order over a threshold of above 0.60% of national customer volume in multiply-listed options classes listed on MIAX Options during the relevant month.

There are no other changes to this rebate program. In particular, the Exchange currently excludes from the calculation certain types of orders, and those same types of orders will continue to be excluded using the new calculation methodology. Specifically, the Exchange

Maker (who does not otherwise have a corporate affiliation based upon common ownership with an EEM) that has been appointed by an EEM and an “Appointed EEM” is an EEM (who does not otherwise have a corporate affiliation based upon common ownership with a MIAX Market Maker) that has been appointed by a MIAX Market Maker, pursuant to the process described in the Fee Schedule. See Section 1)a)i) of the Fee Schedule.

excludes orders executed as QCC and cQCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, C2C and cC2C Orders, cPRIME Agency Orders, PRIME and cPRIME AOC Responses, PRIME and cPRIME Contra-side Orders, PRIME and cPRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Options Rule 1400. The Exchange will continue to exclude those same orders from this rebate program. The Exchange further notes that these exclusions are identical to the exclusions that apply to other aspects of the Priority Customer Rebate Program as well. There is also no change to the additional rebate amount of \$0.02 per contract.

The Exchange believes that changing the volume threshold calculation methodology from a fixed number of contracts per month (1,500,000 per month) to a percentage of national customer volume in multiply-listed options classes listed on MIAX Options per month (above 0.60% of national customer volume in multiply-listed options classes listed on MIAX Options during the relevant month) will result in a threshold that is more consistently proportional to national customer volume executed during the relevant month, as actual national customer volume often changes on a month-to-month basis. Since the Priority Customer Rebate Program is designed to encourage Members to execute greater Priority Customer volume on the Exchange, having a more consistent proportional measure in relation to the number of national customer volume executed in a given month will better align this particular rebate program to the core purpose of the Priority Customer Rebate Program. In turn, the Exchange believes that this change will further incentivize Members to execute a greater number of Priority Customer orders in the Exchange's PRIME Auction mechanism.

The Exchange believes that increased PRIME and Priority Customer volume will attract more liquidity to the Exchange, which benefits all market participants. Increased PRIME and Priority Customer order flow should attract liquidity providers, which in turn should make the MIAX Options marketplace an attractive venue where Market Makers may submit narrow quotations with greater size, deepening and enhancing the quality of the MIAX Options marketplace. This should provide more trading opportunities and tighter spreads for other market participants and result in a corresponding increase in order flow from such other market participants.

The credits paid out as part of the Priority Customer Rebate Program are drawn from the general revenues of the Exchange.⁸ The Exchange calculates volume thresholds on a monthly basis. The proposed rule change is scheduled to become operative on February 1, 2018.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(4) of the Act in particular, in that it is an equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act in that it is designed to promote just and equitable principles of trade, 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 and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

⁸ Despite providing credits under the Priority Customer Rebate Program, the Exchange represents that it will continue to have adequate resources to fund its regulatory program and fulfill its responsibilities as a self-regulatory organization while the Priority Customer Rebate Program is in effect.

The Exchange believes that changing the volume threshold calculation methodology from a fixed number of contracts per month (1,500,000 per month) to a percentage of national customer volume in multiply-listed options classes listed on MIAX Options per month (above 0.60% of national customer volume in multiply-listed options classes listed on MIAX Options during the relevant month) in the Priority Customer Rebate Program for the additional \$0.02 rebate for Priority Customer orders submitted into PRIME as PRIME Agency is consistent with Section 6(b)(4) of the Act in that it is fair, equitable and not unreasonably discriminatory. The rebate program is reasonably designed because it incentivizes providers of Priority Customer order flow to send order flow to the Exchange and, upon meeting certain volume criteria, enables them to receive the credit in a manner that enables the Exchange to improve its overall competitiveness and strengthen its market quality for all market participants. The proposed change to the volume threshold calculation methodology is fair, equitable, and not unreasonably discriminatory because they will apply equally to all Priority Customer orders submitted as a PRIME Agency Order. All similarly situated Priority Customer orders are subject to the same rebate and volume calculations, and access to the Exchange is offered on terms that are not unfairly discriminatory. In addition, the proposed volume threshold calculation is equitable and not unfairly discriminatory because, while only Priority Customer order flow that is submitted as a PRIME Agency Order over the proposed threshold qualifies for the rebate, an increase in overall Priority Customer order flow will bring greater volume and liquidity, which benefits all market participants by providing more trading opportunities and tighter spreads. Market participants want to trade with Priority Customer order flow. To the extent Priority Customer order flow is increased by the proposal, market participants will increasingly compete for the opportunity to trade on the Exchange including sending more orders and providing narrower and larger sized quotations in the effort to trade with such Priority Customer order flow.

The Exchange believes that the proposed rule change modifying the volume threshold calculation methodology for the \$0.02 rebate from a fixed number of contracts per month (1,500,000 per month) to a percentage of national customer volume in multiply-listed options classes listed on MIAX Options per month (above 0.60% of national customer volume in multiply-listed options classes listed on MIAX Options during the relevant month) is consistent with Section 6(b)(5) of the Act in that it promotes just and equitable principles of trade since the Exchange believes that it will result in a threshold that is more consistently proportional to national customer volume executed during the relevant month, as actual national customer volume often changes on a month-to-month basis. To the extent Member volume in Priority Customer orders and PRIME Agency Orders is increased by the proposal, market participants will increasingly compete for the opportunity to trade on the Exchange which could result in more liquidity on the Exchange. The Exchange believes that offering all such market participants the opportunity to lower transaction fees by incentivizing them to transact Priority Customer order flow in turn benefits all market participants.

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 Exchange believes the proposal is consistent with robust competition by increasing the intermarket competition for order flow from market participants. To the extent that there is additional competitive burden on market participants without Priority Customer order flow and those market participants that are not able to aggregate order flow with Affiliates, the Exchange believes that this should incent Members to direct volume to the Exchange in order to provide additional liquidity that enhances the quality of its markets and increases the volume of contracts traded here. To the extent that this purpose is achieved, all the Exchange's market participants

should benefit from the improved market liquidity. Enhanced market quality and increased transaction volume that results from the anticipated increase in order flow directed to the Exchange will benefit all market participants and improve competition on the Exchange. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow. The Exchange believes that the proposal 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,⁹ and Rule 19b-4(f)(2)¹⁰ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. 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:

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁰ 17 CFR 240.19b-4(f)(2).

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail [to rule-comments@sec.gov](mailto:to-rule-comments@sec.gov). Please include File Number SR-MIAX-2018-02 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-2018-02. 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-2018-02 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.¹¹

Brent J. Fields
Secretary

¹¹ 17 CFR 200.30-3(a)(12).

Exhibit 5New text is underlined;

Deleted text is in [brackets]

MIAX Options Fee Schedule**1. Transaction Fees****a) Exchange Fees**

i) and ii) No change.

iii) Priority Customer Rebate Program

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

MIAX shall credit each Member the per contract amount set forth above as applicable resulting from each Priority Customer order transmitted by that Member which is executed electronically on the Exchange in all multiply-listed option classes (excluding, in simple or complex as applicable, QCC and cQCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, C2C and cC2C Orders, PRIME and cPRIME AOC Responses, PRIME and cPRIME Contra-side Orders, PRIME and cPRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Rule 1400), provided the Member meets certain percentage thresholds in a month as described in the Priority Customer Rebate Program table.

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

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

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

All fees and rebates are per contract per leg.

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

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

The percentage thresholds are calculated based on the percentage of national customer volume in multiply-listed options classes listed on MIAX entered and executed over the course of the month (excluding QCC and cQCC Orders, Priority Customer-to-Priority Customer Orders, C2C and cC2C Orders, PRIME and cPRIME AOC Responses, PRIME and cPRIME Contra-side Orders, and PRIME and cPRIME Orders for which both the Agency and Contra-side Order are Priority Customers). Volume for transactions in both simple and complex orders will be aggregated to determine the appropriate volume tier threshold applicable to each transaction. Volume will be recorded for and credits will be delivered to the Member Firm that submits the order to MIAX. MIAX will aggregate the contracts resulting from Priority Customer orders transmitted and executed electronically on MIAX from Members and their Affiliates for purposes of the thresholds described in the Priority Customer Rebate Program table.

MIAX shall credit each "Qualifying Member" \$0.03 per contract (excluding QCC and cQCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, C2C and cC2C Orders, PRIME and cPRIME Agency Orders, PRIME and cPRIME AOC Responses, PRIME and cPRIME Contra-side Orders, PRIME and cPRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Rule 1400) resulting from each Priority Customer order in simple or complex order executions which falls within the Priority Customer Rebate Program volume tier 1 above. "Qualifying Member" shall mean a Member or its Affiliate that qualifies for the Professional Rebate Program as described below and achieves a volume increase in excess of 0.065% for Professional orders transmitted by that Member which are executed electronically on the Exchange in all multiply-listed option classes for the account(s) of a Professional and which qualify for the Professional Rebate Program during a particular month relative to the applicable Baseline Percentage (as defined under the Professional Rebate Program).

Any Member or its Affiliate that qualifies for Priority Customer Rebate Program volume tiers 3 or higher will be credited an additional \$0.02 per contract for each Priority Customer order executed in the PRIME Auction as a PRIME Agency Order over a threshold of [1,500,000 contracts in a] above 0.60% of national customer volume in multiply-listed options classes listed

on MIAX during the relevant month (excluding QCC and cQCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, C2C and cC2C Orders, cPRIME Agency Orders, PRIME and cPRIME AOC Responses, PRIME and cPRIME Contra-side Orders, PRIME and cPRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Rule 1400); volume will be recorded for and credits will be delivered to the Member Firm that submits the order to MIAX. In the event of a MIAX System outage or other interruption of electronic trading on MIAX, the Exchange will adjust the national customer volume in multiply-listed options for the duration of the outage. A Member may request to receive its credit under the Priority Customer Rebate Program as a separate direct payment.

iv) – ix) No change.

b) and c) No change.
