

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * 40 | SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4 | File No.* SR - 2020 - * 04 Amendment No. (req. for Amendments *) |
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Filing by MIAX Emerald, LLC
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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|---|--------------------------------------|-------------------------------------|---|---|--|
| Initial * <input checked="" type="checkbox"/> | Amendment * <input type="checkbox"/> | Withdrawal <input type="checkbox"/> | Section 19(b)(2) * <input type="checkbox"/> | Section 19(b)(3)(A) * <input checked="" type="checkbox"/> | Section 19(b)(3)(B) * <input type="checkbox"/> |
| Pilot <input type="checkbox"/> | | | Rule | | |
| 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) | |

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

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

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

Proposal to amend the Fee Schedule to adjust certain Maker rebates and Taker fees for all market participants.

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 * Michael Last Name * Slade
 Title * Counsel
 E-mail * mslade@miami-holdings.com
 Telephone * (609) 897-8499 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 *)
 Senior Vice President and Deputy General Counsel

Date 03/31/2020
 By Joseph Ferraro (Name *)

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

jferraro@miami-holdings.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add Remove View

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

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

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

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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

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

Add Remove View

Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

Add Remove View

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

Partial Amendment

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

1. Text of the Proposed Rule Change

(a) MIAX Emerald, LLC (“MIAX Emerald” 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 Emerald 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 Emerald 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 the Chief Executive Officer of the Exchange pursuant to authority delegated by the MIAX Emerald Board of Directors on January 29, 2020. 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 Michael Slade, Counsel, at (609) 897-8499.

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)i) of the Fee Schedule to: (i) decrease Simple Maker (as defined below) rebates in certain Tiers for options transactions in Penny classes (as defined below) (including SPY, QQQ, and IWM options classes) for Priority Customers³; and (ii) increase Simple Taker (as defined below) fees in certain Tiers for options transactions in Penny classes and non-Penny classes for Priority Customers, Market Makers⁴, and Non-MIAX Emerald Market Makers, Firms, Broker-Dealers, and Non-Priority Customers.

Background

The Exchange currently assesses transaction rebates and fees to all market participants which are based upon a threshold tier structure (“Tier”) that is applicable to transaction fees. Tiers are determined on a monthly basis and are based on three alternative calculation methods, as defined in Section 1)a)ii) of the Fee Schedule. The calculation method that results in the highest Tier achieved by the Member⁵ shall apply to all Origin types by the Member. The monthly volume thresholds for each method, associated with each Tier, are calculated as the total

³ “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, including Interpretation and Policy .01.

⁴ “Market Maker” means a Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange. See the Definitions Section of the Fee Schedule and Exchange Rule 100.

⁵ “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 the Definitions Section of the Fee Schedule and Exchange Rule 100.

monthly volume executed by the Member in all options classes on MIAX Emerald in the relevant Origins and/or applicable liquidity, not including Excluded Contracts⁶, (as the numerator) expressed as a percentage of (divided by) Customer Total Consolidated Volume (“CTCV”) (as the denominator). CTCV means Customer Total Consolidated Volume calculated as the total national volume cleared at The Options Clearing Corporation (“OCC”) in the Customer range in those classes listed on MIAX Emerald for the month for which fees apply, excluding volume cleared at the OCC in the Customer range executed during the period of time in which the Exchange experiences an “Exchange System Disruption”⁷ (solely in the option classes of the affected Matching Engine)⁸. In addition, the per contract transaction rebates and fees shall be applied retroactively to all eligible volume once the Tier has been reached by the Member. Members that place resting liquidity, i.e., orders on the MIAX Emerald System, will be assessed the specified “maker” rebate or fee (each a “Maker”) and Members that execute against resting liquidity will be assessed the specified “taker” fee or rebate (each a “Taker”).⁹ Members are also assessed lower transaction fees and smaller rebates for order executions in

⁶ “Excluded Contracts” means any contracts routed to an away market for execution. See the Definitions Section of the Fee Schedule.

⁷ The term “Exchange System Disruption” means an outage of a Matching Engine or collective Matching Engines for a period of two consecutive hour or more, during trading hours. See the Definitions Section of the Fee Schedule.

⁸ A “Matching Engine” is a part of the MIAX Emerald electronic system that processes options orders and trades on a symbol-by-symbol basis. Some Matching Engines will process option classes with multiple root symbols, and other Matching Engines may be dedicated to one single option root symbol (for example, options on SPY may be processed by one single Matching Engine that is dedicated only to SPY). A particular root symbol may only be assigned to a single designated Matching Engine. A particular root symbol may not be assigned to multiple Matching Engines. See the Definitions Section of the Fee Schedule.

⁹ For a Priority Customer complex order taking liquidity in both a Penny class and non-Penny class against Origins other than Priority Customer, the Priority Customer order will receive a rebate based on the Tier achieved.

standard option classes in the Penny Pilot Program¹⁰ (“Penny classes”) than for order executions in standard option classes which are not in the Penny Pilot Program (“non-Penny classes”), for which Members will be assessed a higher transaction fees and larger rebates.

Currently, transaction rebates and fees for Penny and Non-Penny classes are assessed according to the following tables:

| Members and Their Affiliates In Penny Classes | | | | | | | | | |
|---|------|-----------------------|--------------------|--|--|----------|---------------------------|--------|-----------|
| Simple/Complex/PRIME/cPRIME | | | | | | | | | |
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ^o | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker | Agency | Contra | Responder |
| Market Maker | 1 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.45) | \$0.48 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Non-MIAX Emerald Market Maker | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.48 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Firm Proprietary/ Broker- Dealer | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.49 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Non-Priority Customer | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.49 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Priority Customer* | 1 | (\$0.48) [∇] | \$0.47 | (\$0.25) | (\$0.25) | (\$0.25) | \$0.00 | \$0.05 | \$0.05 |
| | 2 | (\$0.48) [∇] | \$0.47 | (\$0.40) | (\$0.40) | (\$0.40) | \$0.00 | \$0.05 | \$0.05 |
| | 3 | (\$0.48) [∇] | \$0.47 | (\$0.45) | (\$0.45) | (\$0.45) | \$0.00 | \$0.05 | \$0.05 |
| | 4 | (\$0.53) | \$0.45 | (\$0.50) | (\$0.50) | (\$0.50) | \$0.00 | \$0.05 | \$0.05 |

¹⁰ See Securities Exchange Act Release No. 85225 (March 1, 2019), 84 FR 68353 (March 7, 2019) (SR-EMERALD-2019-06).

| Members and Their Affiliates In Non-Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|----------|--------------------|---|---|--------------------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ⁰ | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker [~] | Agency | Contra | Responder |
| Market Maker | 1 | (\$0.45) | \$0.99 | \$0.20 | \$0.86 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.45) | \$0.99 | \$0.20 | \$0.86 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.45) | \$0.99 | \$0.20 | \$0.86 | \$0.86 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.75) | \$0.94 | \$0.20 | \$0.86 | \$0.86 | \$0.05 | \$0.05 | \$0.05 |
| Non-MIAX Emerald Market Maker | 1 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.94 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Firm Proprietary/ Broker- Dealer | 1 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.94 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Non-Priority Customer | 1 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.94 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Priority Customer* | 1 | (\$0.85) | \$0.85 | (\$0.40) | (\$0.40) | (\$0.40) | \$0.00 | \$0.05 | \$0.05 |
| | 2 | (\$0.85) | \$0.85 | (\$0.60) | (\$0.60) | (\$0.60) | \$0.00 | \$0.05 | \$0.05 |
| | 3 | (\$0.85) | \$0.85 | (\$0.70) | (\$0.70) | (\$0.75) | \$0.00 | \$0.05 | \$0.05 |
| | 4 | (\$1.05) | \$0.82 | (\$0.87) | (\$0.87) | (\$0.85) | \$0.00 | \$0.05 | \$0.05 |

[^] Contra to Priority Customer Simple Orders, Origins ex Priority Customer Simple Orders will be charged \$0.50 and Priority Customer Simple Orders will be charged \$0.49 in Penny classes, and Origins ex Priority Customer Simple Orders will be charged \$1.10 and Priority Customer Simple Orders will be charged \$0.85 in Non-Penny classes.

* Priority Customer Complex Orders contra to Priority Customer Complex Orders are neither charged nor rebated. Priority Customer Complex Orders that leg into the Simple book are neither charged nor rebated.

[~] A \$0.05 Complex surcharge for Origins ex Priority Customer for Complex Orders that take liquidity from the Complex Order Book in Non-Penny classes.

[#] For orders in a Complex Auction, Priority Customer Complex Orders will receive the Complex Taker rebate based on the tier achieved when contra to an Origin that is not a Priority Customer. Origins that are not a Priority Customer will be charged the applicable Maker fee depending on the contra, based on the tier achieved.

[◇] For PRIME and cPRIME, the per contract rebate or fee for the preexisting contra-side interest that trades with the Agency side will be waived. PRIME/cPRIME Responder side interest that trades with unrelated Agency side interest trades as Taker will be subject to Simple or Complex rates, as applicable.

[▽] Simple Maker rebate in SPY, QQQ and IWM is (\$0.50) for Priority Customer Origin in Tiers 1, 2 and 3.

Notes Accompanying Tables Above

During the Opening Rotation and the ABBO uncrossing, the per contract rebate or fee will be waived for all Origins.

Simple Maker Rebates for Priority Customers

First, the Exchange proposes to decrease the Simple Maker rebates in certain Tiers for options transactions in Penny classes (including SPY, QQQ, and IWM options classes) for Priority Customers. Specifically, the Exchange proposes to decrease the Simple Maker rebates for Priority Customer orders in options in certain Penny classes (excluding SPY, QQQ, and IWM) in Tier 1 from (\$0.48) to (\$0.43), in Tier 2 from (\$0.48) to (\$0.43), and in Tier 3 from (\$0.48) to (\$0.43). The Exchange next proposes to amend footnote “V” in Section 1)a)i) of the Fee Schedule to decrease the Simple Maker rebate for Priority Customer orders in SPY, QQQ and IWM options classes in Tiers 1, 2 and 3 from (\$0.50) to (\$0.45).

Simple Taker Fees for Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firm, Broker-Dealers, and Non-Priority Customers in Penny Classes

The Exchange next proposes to increase the Simple Taker fees in certain Tiers for options transactions in Penny classes for Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firms, Broker-Dealers, and Non-Priority Customers. Specifically, the Exchange proposes to increase the Simple Taker fees for Market Maker orders in options in all Penny classes in Tier 4 from \$0.48 to \$0.50. The Exchange next proposes to increase the Simple Taker fees for Non-MIAX Emerald Market Maker orders in options in all Penny classes in Tier 4 from \$0.48 to \$0.50. The Exchange next proposes to increase the Simple Taker fees for Firm Proprietary and Broker-Dealer orders in options in all Penny classes in Tier 4 from \$0.49 to \$0.50. The Exchange next proposes to increase the Simple Taker fees for Non-Priority Customer orders in options in all Penny classes in Tier 4 from \$0.49 to \$0.50. The Exchange next proposes

to increase the Simple Taker fees for Priority Customer orders contra Origins ex Priority Customer in options in all Penny classes in Tiers 1-3 from \$0.47 to \$0.50, and in Tier 4 from \$0.45 to \$0.50. The Exchange next proposes to amend footnote “^” in Section 1)a)i) of the Fee Schedule to increase the Taker fees for Simple Priority Customer orders contra Priority Customer in options in Penny classes from \$0.49 to \$0.50.

Simple Taker Fees for Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firms, Broker-Dealers, and Non-Priority Customers in Non-Penny Classes

The Exchange next proposes to increase the Simple Taker fees in certain Tiers for options transactions in non-Penny classes for Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firms, Broker-Dealers and Non-Priority Customers. Specifically, the Exchange proposes to increase the Simple Taker fees for Market Maker orders in options in non-Penny classes in Tiers 1-3 from \$0.99 to \$1.05, and in Tier 4 from \$0.94 to \$1.05. The Exchange next proposes to increase the Simple Taker fees for Non-MIAX Emerald Market Maker orders in options in non-Penny classes in Tiers 1-3 from \$0.99 to \$1.05, and in Tier 4 from \$0.94 to \$1.05. The Exchange next proposes to increase the Simple Taker fees for Firm Proprietary and Broker-Dealer orders in options in non-Penny classes in Tiers 1-3 from \$0.99 to \$1.05, and in Tier 4 from \$0.94 to \$1.05. The Exchange next proposes to increase the Simple Taker fees for Non-Priority Customer orders in options in non-Penny classes in Tiers 1-3 from \$0.99 to \$1.05, and in Tier 4 from \$0.94 to \$1.05. Finally, the Exchange proposes to increase the Simple Taker fees for Priority Customer orders contra Origins ex Priority Customer in options in non-Penny classes in Tier 4 from \$0.82 to \$0.85.

The purpose of adjusting the specified Simple Taker fees and the specified Simple Maker rebates is for business and competitive reasons. In order to attract order flow, the Exchange

initially set its Maker rebates and Taker fees so that they were meaningfully higher/lower than other options exchanges that operate comparable maker/taker pricing models.¹¹ The Exchange now believes that it is appropriate to further adjust these specified Maker rebates and Taker fees so that they are more in line with other exchanges, but will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and maintain market share.¹²

With all the proposed changes, Section 1)a)i) of the Fee Schedule shall be the following:

| Members and Their Affiliates In Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|-----------------------|--------------------|--|--|----------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ^o | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker | Agency | Contra | Responder |
| Market Maker | 1 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.45) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Non-MIAX Emerald Market Maker | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Firm Proprietary/ Broker- Dealer | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Non-Priority Customer | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Priority Customer* | 1 | (\$0.43) ^v | \$0.50 | (\$0.25) | (\$0.25) | (\$0.25) | \$0.00 | \$0.05 | \$0.05 |
| | 2 | (\$0.43) ^v | \$0.50 | (\$0.40) | (\$0.40) | (\$0.40) | \$0.00 | \$0.05 | \$0.05 |

¹¹ See Securities Exchange Act Release No. 85393 (March 21, 2019), 84 FR 11599 (March 27, 2019) (SR-EMERALD-2019-15).

¹² See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees.”

| Members and Their Affiliates In Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|-----------------------|--------------------|--|--|----------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ^o | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker | Agency | Contra | Responder |
| | 3 | (\$0.43) ^v | \$0.50 | (\$0.45) | (\$0.45) | (\$0.45) | \$0.00 | \$0.05 | \$0.05 |
| | 4 | (\$0.53) | \$0.50 | (\$0.50) | (\$0.50) | (\$0.50) | \$0.00 | \$0.05 | \$0.05 |

| Members and Their Affiliates In Non-Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|----------|--------------------|---|---|--------------------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ^o | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker [~] | Agency | Contra | Responder |
| Market Maker | 1 | (\$0.45) | \$1.05 | \$0.20 | \$0.86 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.45) | \$1.05 | \$0.20 | \$0.86 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.45) | \$1.05 | \$0.20 | \$0.86 | \$0.86 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.75) | \$1.05 | \$0.20 | \$0.86 | \$0.86 | \$0.05 | \$0.05 | \$0.05 |
| Non-MIAX Emerald Market Maker | 1 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Firm Proprietary/ Broker- Dealer | 1 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Non-Priority Customer | 1 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Priority Customer* | 1 | (\$0.85) | \$0.85 | (\$0.40) | (\$0.40) | (\$0.40) | \$0.00 | \$0.05 | \$0.05 |
| | 2 | (\$0.85) | \$0.85 | (\$0.60) | (\$0.60) | (\$0.60) | \$0.00 | \$0.05 | \$0.05 |
| | 3 | (\$0.85) | \$0.85 | (\$0.70) | (\$0.70) | (\$0.75) | \$0.00 | \$0.05 | \$0.05 |
| | 4 | (\$1.05) | \$0.85 | (\$0.87) | (\$0.87) | (\$0.85) | \$0.00 | \$0.05 | \$0.05 |

[^] Contra to Priority Customer Simple Orders, Origins ex Priority Customer Simple Orders will be charged \$0.50 and Priority Customer Simple Orders will be charged \$0.50 in Penny classes, and Origins ex Priority Customer Simple Orders will be charged \$1.10 and Priority Customer Simple Orders will be charged \$0.85 in Non-Penny classes.

- * Priority Customer Complex Orders contra to Priority Customer Complex Orders are neither charged nor rebated. Priority Customer Complex Orders that leg into the Simple book are neither charged nor rebated.
- ~ A \$0.05 Complex surcharge for Origins ex Priority Customer for Complex Orders that take liquidity from the Complex Order Book in Non-Penny classes.
- # For orders in a Complex Auction, Priority Customer Complex Orders will receive the Complex Taker rebate based on the tier achieved when contra to an Origin that is not a Priority Customer. Origins that are not a Priority Customer will be charged the applicable Maker fee depending on the contra, based on the tier achieved.
- ◇ For PRIME and cPRIME, the per contract rebate or fee for the preexisting contra-side interest that trades with the Agency side will be waived. PRIME/cPRIME Responder side interest that trades with unrelated Agency side interest trades as Taker will be subject to Simple or Complex rates, as applicable.
- ▽ Simple Maker rebate in SPY, QQQ and IWM is (\$0.45) for Priority Customer Origin in Tiers 1, 2 and 3.

Notes Accompanying Tables Above

During the Opening Rotation and the ABBO uncrossing, the per contract rebate or fee will be waived for all Origins

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹³

There are currently 16 registered options exchanges competing for order flow. Based on publicly-available information, and excluding index-based options, no single exchange has more than approximately 15% market share.¹⁴ Therefore, no exchange possesses significant pricing power. More specifically, as of March 24, 2020, the Exchange had an approximately 3.42% market share of executed volume of multiply-listed equity and exchange traded fund (“ETF”)

¹³ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

¹⁴ The Options Clearing Corporation (“OCC”) publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/market-data/volume/default.jsp>.

options for the month of March 2020.¹⁵ The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can discontinue or reduce use of certain categories of products and services, terminate an existing membership or determine to not become a new member, and/or shift order flow, in response to transaction fee changes. For example, on February 28, 2019, the Exchange's affiliate, MIAX PEARL, LLC ("MIAX PEARL") filed with the Commission a proposal to increase Taker fees in certain Tiers for options transactions in certain Penny classes for Priority Customers and decrease Maker rebates in certain Tiers for options transactions in Penny classes for Priority Customers (which fee was to be effective March 1, 2019).¹⁶ MIAX PEARL experienced a decrease in total market share for the month of March 2019, after the proposal went into effect. Accordingly, the Exchange believes that the MIAX PEARL March 1, 2019 fee change, to increase certain transaction fees and decrease certain transaction rebates, may have contributed to the decrease in MIAX PEARL's market share and, as such, the Exchange believes competitive forces constrain the Exchange's, and other options exchanges, ability to set transaction fees and market participants can shift order flow based on fee changes instituted by the exchanges.

The proposed changes are scheduled to become operative April 1, 2020.

b. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act¹⁷ in general, and furthers the objectives of Section 6(b)(4) of the Act,¹⁸ in

¹⁵ See id.

¹⁶ See Securities Exchange Act Release No. 85304 (March 13, 2019), 84 FR 10144 (March 19, 2019) (SR-PEARL-2019-07).

¹⁷ 15 U.S.C. 78f(b).

¹⁸ 15 U.S.C. 78f(b)(4).

that it is an equitable allocation of reasonable dues, fees and other charges among Exchange members and issuers and other persons using its facilities, and 6(b)(5) of the Act,¹⁹ in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes its proposal to decrease Simple Maker rebates in certain Tiers for options transactions in Penny classes for Priority Customers and increase Simple Taker fees in certain Tiers for options transactions in Penny classes and non-Penny classes for Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firms, Broker-Dealers and Non-Priority Customers provides for the equitable allocation of reasonable dues and fees and is not unfairly discriminatory for the following reasons. The Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”²⁰ There are currently 16 registered options exchanges competing for order flow. Based on publicly-available information, and excluding index-based options, no single exchange has more than approximately 15% of the

¹⁹ 15 U.S.C. 78f(b)(1) and (b)(5).

²⁰ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

market share of executed volume of multiply-listed equity and ETF options trades as of March 24, 2020, for the month of March 2020.²¹ Therefore, no exchange possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, as of March 24, 2020, the Exchange had an approximately 3.42% market share of executed volume of multiply-listed equity and ETF options for the month of March 2020.²² The Exchange cannot predict with certainty the number of market participants that would qualify for the higher Simple Taker fees or lower Simple Maker rebates for each of the proposed changes as Members may continually shift among the different Tiers from month to month.

The Exchange believes that the ever-shifting market shares among the exchanges from month to month demonstrates that market participants can shift order flow, or discontinue or reduce use of certain categories of products, in response to transaction and/or non-transaction fee changes. For example, on February 28, 2019, the Exchange's affiliate, MIAX PEARL, filed with the Commission a proposal to increase Taker fees in certain Tiers for options transactions in certain Penny classes for Priority Customers and decrease Maker rebates in certain Tiers for options transactions in Penny classes for Priority Customers (which fee was to be effective March 1, 2019).²³ MIAX PEARL experienced a decrease in total market share for the month of March 2019, after the proposal went into effect. Accordingly, the Exchange believes that the MIAX PEARL March 1, 2019 fee change, to increase certain transaction fees and decrease certain transaction rebates, may have contributed to the decrease in MIAX PEARL's market share and, as such, the Exchange believes competitive forces constrain the Exchange's, and other

²¹ See supra note 14.

²² See id.

²³ See supra note 16.

options exchanges, ability to set transaction fees and market participants can shift order flow based on fee changes instituted by the exchanges.

The Exchange believes its proposal to decrease Simple Maker rebates in certain Tiers for options transactions in Penny classes for Priority Customers and increase Simple Taker fees in certain Tiers for options transactions in Penny classes and non-Penny classes for Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firms, Broker-Dealers and Non-Priority Customers is reasonable, equitable and not unfairly discriminatory because all similarly situated market participants in the same Origin type are subject to the same tiered Maker rebates and Taker fees and access to the Exchange is offered on terms that are not unfairly discriminatory. The Exchange believes it is equitable and not unfairly discriminatory to reduce the Simple Maker rebate to Priority Customer orders in Penny classes for competitive and business reasons because the Exchange initially set its Simple Maker rebates for such orders higher than certain other options exchanges that operate comparable maker/taker pricing models.²⁴ The Exchange now believes that it is appropriate to further decrease those specified Simple Maker rebates so that they are more in line with other exchanges, and will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and maintain market share.²⁵

Furthermore, the proposed decreases to the Simple Maker rebates for Priority Customers promotes just and equitable principles of trade, fosters cooperation and coordination with persons engaged in facilitating transactions in securities, and protects investors and the public interest, because even with the decreases, the Exchange's proposed Simple Maker rebates for

²⁴ See supra note 11.

²⁵ See supra note 12.

such orders still remain highly competitive with certain other options exchanges offering comparable pricing models, and should enable the Exchange to continue to attract order flow and maintain market share.²⁶ The Exchange believes that the amount of such fees, as proposed to be decreased, will continue to encourage those market participants to send orders to the Exchange. The Exchange further believes that it is appropriate to decrease the Simple Maker rebates for Priority Customers in SPY, QQQ and IWM options classes because these select products are generally more liquid than other options classes.

The proposed Simple Taker fee adjustments in certain specified Tiers applicable to certain orders submitted by Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firms, Broker-Dealers and Non-Priority Customers in Penny and non-Penny classes are reasonable, equitable and not unfairly discriminatory because all similarly situated market participants in the same Origin type are subject to the same tiered Taker fees and access to the Exchange is offered on terms that are not unfairly discriminatory. For competitive and business reasons, the Exchange initially set its Simple Taker fees for such orders generally lower than certain other options exchanges that operate comparable maker/taker pricing models.²⁷ The Exchange now believes that it is appropriate to further increase those specified Simple Taker fees so that they are more in line with other exchanges, and will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and maintain market share. The Exchange believes for these reasons that increasing certain Simple Taker fees for transactions in the specified Tiers is equitable, reasonable and not unfairly discriminatory, and thus consistent with the Act.

²⁶ See id.

²⁷ See supra notes 11 and 12.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed changes in the specified Simple Maker rebates and Simple Taker fees for the applicable market participants should continue to encourage the provision of liquidity that enhances the quality of the Exchange's market and increases the number of trading opportunities on the Exchange for all participants who will be able to compete for such opportunities. The proposed rule changes should enable the Exchange to continue to attract and compete for order flow with other exchanges. However, this competition does not create an undue burden on competition but rather offers all market participants the opportunity to receive the benefit of competitive pricing.

The proposed Simple Maker rebate decreases and Simple Taker fee adjustments are intended to keep the Exchange's fees highly competitive with those of other exchanges, and to encourage liquidity and should enable the Exchange to continue to attract and compete for order flow with other exchanges. 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 rebates and fees to remain competitive with other exchanges and to attract order flow. The Exchange believes that the proposed rule changes reflect this competitive environment because they modify the Exchange's fees in a manner that encourages market participants to continue to provide liquidity and to send order flow to the Exchange.

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

No written comments were either solicited or received.

6. **Extension of Time Period for Commission Action**

Not applicable.

7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

Pursuant to Section 19(b)(3)(A)(ii) of the Act,²⁸ and Rule 19b-4(f)(2) thereunder²⁹ 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**

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 Emerald Fee Schedule.

²⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁹ 17 CFR 240.19b-4.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-EMERALD-2020-04)

March __, 2020

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX Emerald, 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 March 31, 2020, MIAX Emerald, LLC (“MIAX Emerald” 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 Emerald 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/emerald>, at MIAX’s principal office, and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 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 amend Section 1)a)i) of the Fee Schedule to: (i) decrease Simple Maker (as defined below) rebates in certain Tiers for options transactions in Penny classes (as defined below) (including SPY, QQQ, and IWM options classes) for Priority Customers³; and (ii) increase Simple Taker (as defined below) fees in certain Tiers for options transactions in Penny classes and non-Penny classes for Priority Customers, Market Makers⁴, and Non-MIAX Emerald Market Makers, Firms, Broker-Dealers, and Non-Priority Customers.

Background

The Exchange currently assesses transaction rebates and fees to all market participants which are based upon a threshold tier structure (“Tier”) that is applicable to transaction fees. Tiers are determined on a monthly basis and are based on three alternative calculation methods,

³ “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, including Interpretation and Policy .01.

⁴ “Market Maker” means a Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange. See the Definitions Section of the Fee Schedule and Exchange Rule 100.

as defined in Section 1)a)ii) of the Fee Schedule. The calculation method that results in the highest Tier achieved by the Member⁵ shall apply to all Origin types by the Member. The monthly volume thresholds for each method, associated with each Tier, are calculated as the total monthly volume executed by the Member in all options classes on MIAX Emerald in the relevant Origins and/or applicable liquidity, not including Excluded Contracts⁶, (as the numerator) expressed as a percentage of (divided by) Customer Total Consolidated Volume (“CTCV”) (as the denominator). CTCV means Customer Total Consolidated Volume calculated as the total national volume cleared at The Options Clearing Corporation (“OCC”) in the Customer range in those classes listed on MIAX Emerald for the month for which fees apply, excluding volume cleared at the OCC in the Customer range executed during the period of time in which the Exchange experiences an “Exchange System Disruption”⁷ (solely in the option classes of the affected Matching Engine)⁸. In addition, the per contract transaction rebates and fees shall be applied retroactively to all eligible volume once the Tier has been reached by the Member. Members that place resting liquidity, i.e., orders on the MIAX Emerald System, will

⁵ “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 the Definitions Section of the Fee Schedule and Exchange Rule 100.

⁶ “Excluded Contracts” means any contracts routed to an away market for execution. See the Definitions Section of the Fee Schedule.

⁷ The term “Exchange System Disruption” means an outage of a Matching Engine or collective Matching Engines for a period of two consecutive hour or more, during trading hours. See the Definitions Section of the Fee Schedule.

⁸ A “Matching Engine” is a part of the MIAX Emerald electronic system that processes options orders and trades on a symbol-by-symbol basis. Some Matching Engines will process option classes with multiple root symbols, and other Matching Engines may be dedicated to one single option root symbol (for example, options on SPY may be processed by one single Matching Engine that is dedicated only to SPY). A particular root symbol may only be assigned to a single designated Matching Engine. A particular root symbol may not be assigned to multiple Matching Engines. See the Definitions Section of the Fee Schedule.

be assessed the specified “maker” rebate or fee (each a “Maker”) and Members that execute against resting liquidity will be assessed the specified “taker” fee or rebate (each a “Taker”).⁹ Members are also assessed lower transaction fees and smaller rebates for order executions in standard option classes in the Penny Pilot Program¹⁰ (“Penny classes”) than for order executions in standard option classes which are not in the Penny Pilot Program (“non-Penny classes”), for which Members will be assessed a higher transaction fees and larger rebates.

Currently, transaction rebates and fees for Penny and Non-Penny classes are assessed according to the following tables:

| Members and Their Affiliates In Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|----------|--------------------|--|--|--------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ⁹ | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker | Agency | Contra | Responder |
| Market Maker | 1 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.45) | \$0.48 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Non-MIAX Emerald Market Maker | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.48 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Firm Proprietary/ Broker- Dealer | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.49 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Non-Priority Customer | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.49 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |

⁹ For a Priority Customer complex order taking liquidity in both a Penny class and non-Penny class against Origins other than Priority Customer, the Priority Customer order will receive a rebate based on the Tier achieved.

¹⁰ See Securities Exchange Act Release No. 85225 (March 1, 2019), 84 FR 68353 (March 7, 2019) (SR-EMERALD-2019-06).

| Members and Their Affiliates In Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|-----------------------|--------------------|--|--|----------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ^o | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker | Agency | Contra | Responder |
| Priority Customer* | 1 | (\$0.48) [∇] | \$0.47 | (\$0.25) | (\$0.25) | (\$0.25) | \$0.00 | \$0.05 | \$0.05 |
| | 2 | (\$0.48) [∇] | \$0.47 | (\$0.40) | (\$0.40) | (\$0.40) | \$0.00 | \$0.05 | \$0.05 |
| | 3 | (\$0.48) [∇] | \$0.47 | (\$0.45) | (\$0.45) | (\$0.45) | \$0.00 | \$0.05 | \$0.05 |
| | 4 | (\$0.53) | \$0.45 | (\$0.50) | (\$0.50) | (\$0.50) | \$0.00 | \$0.05 | \$0.05 |

| Members and Their Affiliates In Non-Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|----------|--------------------|---|---|--------------------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ^o | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker [~] | Agency | Contra | Responder |
| Market Maker | 1 | (\$0.45) | \$0.99 | \$0.20 | \$0.86 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.45) | \$0.99 | \$0.20 | \$0.86 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.45) | \$0.99 | \$0.20 | \$0.86 | \$0.86 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.75) | \$0.94 | \$0.20 | \$0.86 | \$0.86 | \$0.05 | \$0.05 | \$0.05 |
| Non-MIAX Emerald Market Maker | 1 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.94 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Firm Proprietary/ Broker- Dealer | 1 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.94 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Non-Priority Customer | 1 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.99 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.94 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Priority Customer* | 1 | (\$0.85) | \$0.85 | (\$0.40) | (\$0.40) | (\$0.40) | \$0.00 | \$0.05 | \$0.05 |
| | 2 | (\$0.85) | \$0.85 | (\$0.60) | (\$0.60) | (\$0.60) | \$0.00 | \$0.05 | \$0.05 |
| | 3 | (\$0.85) | \$0.85 | (\$0.70) | (\$0.70) | (\$0.75) | \$0.00 | \$0.05 | \$0.05 |
| | 4 | (\$1.05) | \$0.82 | (\$0.87) | (\$0.87) | (\$0.85) | \$0.00 | \$0.05 | \$0.05 |

[^] Contra to Priority Customer Simple Orders, Origins ex Priority Customer Simple Orders will be charged \$0.50 and Priority Customer Simple Orders will be charged \$0.49 in Penny classes, and Origins ex Priority Customer Simple Orders will be charged \$1.10 and Priority Customer Simple Orders will be charged \$0.85 in Non-Penny classes.

- * Priority Customer Complex Orders contra to Priority Customer Complex Orders are neither charged nor rebated. Priority Customer Complex Orders that leg into the Simple book are neither charged nor rebated.
- ~ A \$0.05 Complex surcharge for Origins ex Priority Customer for Complex Orders that take liquidity from the Complex Order Book in Non-Penny classes.
- # For orders in a Complex Auction, Priority Customer Complex Orders will receive the Complex Taker rebate based on the tier achieved when contra to an Origin that is not a Priority Customer. Origins that are not a Priority Customer will be charged the applicable Maker fee depending on the contra, based on the tier achieved.
- ◇ For PRIME and cPRIME, the per contract rebate or fee for the preexisting contra-side interest that trades with the Agency side will be waived. PRIME/cPRIME Responder side interest that trades with unrelated Agency side interest trades as Taker will be subject to Simple or Complex rates, as applicable.
- ∇ Simple Maker rebate in SPY, QQQ and IWM is (\$0.50) for Priority Customer Origin in Tiers 1, 2 and 3.

Notes Accompanying Tables Above

During the Opening Rotation and the ABBO uncrossing, the per contract rebate or fee will be waived for all Origins.

Simple Maker Rebates for Priority Customers

First, the Exchange proposes to decrease the Simple Maker rebates in certain Tiers for options transactions in Penny classes (including SPY, QQQ, and IWM options classes) for Priority Customers. Specifically, the Exchange proposes to decrease the Simple Maker rebates for Priority Customer orders in options in certain Penny classes (excluding SPY, QQQ, and IWM) in Tier 1 from (\$0.48) to (\$0.43), in Tier 2 from (\$0.48) to (\$0.43), and in Tier 3 from (\$0.48) to (\$0.43). The Exchange next proposes to amend footnote “∇” in Section 1)a)i) of the Fee Schedule to decrease the Simple Maker rebate for Priority Customer orders in SPY, QQQ and IWM options classes in Tiers 1, 2 and 3 from (\$0.50) to (\$0.45).

Simple Taker Fees for Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firm, Broker-Dealers, and Non-Priority Customers in Penny Classes

The Exchange next proposes to increase the Simple Taker fees in certain Tiers for options transactions in Penny classes for Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firms, Broker-Dealers, and Non-Priority Customers. Specifically, the Exchange proposes to increase the Simple Taker fees for Market Maker orders in options in all Penny classes in Tier 4 from \$0.48 to \$0.50. The Exchange next proposes to increase the Simple Taker

fees for Non-MIAX Emerald Market Maker orders in options in all Penny classes in Tier 4 from \$0.48 to \$0.50. The Exchange next proposes to increase the Simple Taker fees for Firm Proprietary and Broker-Dealer orders in options in all Penny classes in Tier 4 from \$0.49 to \$0.50. The Exchange next proposes to increase the Simple Taker fees for Non-Priority Customer orders in options in all Penny classes in Tier 4 from \$0.49 to \$0.50. The Exchange next proposes to increase the Simple Taker fees for Priority Customer orders contra Origins ex Priority Customer in options in all Penny classes in Tiers 1-3 from \$0.47 to \$0.50, and in Tier 4 from \$0.45 to \$0.50. The Exchange next proposes to amend footnote “^” in Section 1)a)i) of the Fee Schedule to increase the Taker fees for Simple Priority Customer orders contra Priority Customer in options in Penny classes from \$0.49 to \$0.50.

Simple Taker Fees for Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firms, Broker-Dealers, and Non-Priority Customers in Non-Penny Classes

The Exchange next proposes to increase the Simple Taker fees in certain Tiers for options transactions in non-Penny classes for Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firms, Broker-Dealers and Non-Priority Customers. Specifically, the Exchange proposes to increase the Simple Taker fees for Market Maker orders in options in non-Penny classes in Tiers 1-3 from \$0.99 to \$1.05, and in Tier 4 from \$0.94 to \$1.05. The Exchange next proposes to increase the Simple Taker fees for Non-MIAX Emerald Market Maker orders in options in non-Penny classes in Tiers 1-3 from \$0.99 to \$1.05, and in Tier 4 from \$0.94 to \$1.05. The Exchange next proposes to increase the Simple Taker fees for Firm Proprietary and Broker-Dealer orders in options in non-Penny classes in Tiers 1-3 from \$0.99 to \$1.05, and in Tier 4 from \$0.94 to \$1.05. The Exchange next proposes to increase the Simple Taker fees for Non-Priority Customer orders in options in non-Penny classes in Tiers 1-3 from \$0.99 to \$1.05, and in Tier 4 from \$0.94 to \$1.05. Finally, the Exchange proposes to increase the Simple Taker fees for

Priority Customer orders contra Origins ex Priority Customer in options in non-Penny classes in Tier 4 from \$0.82 to \$0.85.

The purpose of adjusting the specified Simple Taker fees and the specified Simple Maker rebates is for business and competitive reasons. In order to attract order flow, the Exchange initially set its Maker rebates and Taker fees so that they were meaningfully higher/lower than other options exchanges that operate comparable maker/taker pricing models.¹¹ The Exchange now believes that it is appropriate to further adjust these specified Maker rebates and Taker fees so that they are more in line with other exchanges, but will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and maintain market share.¹²

With all the proposed changes, Section 1)a)i) of the Fee Schedule shall be the following:

| Members and Their Affiliates In Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|----------|--------------------|--|--|--------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ^o | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker | Agency | Contra | Responder |
| Market Maker | 1 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.45) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Non-MIAX Emerald Market Maker | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Firm Proprietary/ Broker- Dealer | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |

¹¹ See Securities Exchange Act Release No. 85393 (March 21, 2019), 84 FR 11599 (March 27, 2019) (SR-EMERALD-2019-15).

¹² See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees.”

| Members and Their Affiliates In Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|-----------------------|--------------------|--|--|----------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ^o | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker | Agency | Contra | Responder |
| Non-Priority Customer | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Priority Customer* | 1 | (\$0.43) ^v | \$0.50 | (\$0.25) | (\$0.25) | (\$0.25) | \$0.00 | \$0.05 | \$0.05 |
| | 2 | (\$0.43) ^v | \$0.50 | (\$0.40) | (\$0.40) | (\$0.40) | \$0.00 | \$0.05 | \$0.05 |
| | 3 | (\$0.43) ^v | \$0.50 | (\$0.45) | (\$0.45) | (\$0.45) | \$0.00 | \$0.05 | \$0.05 |
| | 4 | (\$0.53) | \$0.50 | (\$0.50) | (\$0.50) | (\$0.50) | \$0.00 | \$0.05 | \$0.05 |

| Members and Their Affiliates In Non-Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|----------|--------------------|---|---|--------------------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ^o | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker [~] | Agency | Contra | Responder |
| Market Maker | 1 | (\$0.45) | \$1.05 | \$0.20 | \$0.86 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.45) | \$1.05 | \$0.20 | \$0.86 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.45) | \$1.05 | \$0.20 | \$0.86 | \$0.86 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.75) | \$1.05 | \$0.20 | \$0.86 | \$0.86 | \$0.05 | \$0.05 | \$0.05 |
| Non-MIAX Emerald Market Maker | 1 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Firm Proprietary/ Broker- Dealer | 1 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Non-Priority Customer | 1 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | \$1.05 | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Priority Customer* | 1 | (\$0.85) | \$0.85 | (\$0.40) | (\$0.40) | (\$0.40) | \$0.00 | \$0.05 | \$0.05 |
| | 2 | (\$0.85) | \$0.85 | (\$0.60) | (\$0.60) | (\$0.60) | \$0.00 | \$0.05 | \$0.05 |
| | 3 | (\$0.85) | \$0.85 | (\$0.70) | (\$0.70) | (\$0.75) | \$0.00 | \$0.05 | \$0.05 |
| | 4 | (\$1.05) | \$0.85 | (\$0.87) | (\$0.87) | (\$0.85) | \$0.00 | \$0.05 | \$0.05 |

- ^ Contra to Priority Customer Simple Orders, Origins ex Priority Customer Simple Orders will be charged \$0.50 and Priority Customer Simple Orders will be charged \$0.50 in Penny classes, and Origins ex Priority Customer Simple Orders will be charged \$1.10 and Priority Customer Simple Orders will be charged \$0.85 in Non-Penny classes.
- * Priority Customer Complex Orders contra to Priority Customer Complex Orders are neither charged nor rebated. Priority Customer Complex Orders that leg into the Simple book are neither charged nor rebated.
- ~ A \$0.05 Complex surcharge for Origins ex Priority Customer for Complex Orders that take liquidity from the Complex Order Book in Non-Penny classes.
- # For orders in a Complex Auction, Priority Customer Complex Orders will receive the Complex Taker rebate based on the tier achieved when contra to an Origin that is not a Priority Customer. Origins that are not a Priority Customer will be charged the applicable Maker fee depending on the contra, based on the tier achieved.
- ◇ For PRIME and cPRIME, the per contract rebate or fee for the preexisting contra-side interest that trades with the Agency side will be waived. PRIME/cPRIME Responder side interest that trades with unrelated Agency side interest trades as Taker will be subject to Simple or Complex rates, as applicable.
- ▽ Simple Maker rebate in SPY, QQQ and IWM is (\$0.45) for Priority Customer Origin in Tiers 1, 2 and 3.

Notes Accompanying Tables Above

During the Opening Rotation and the ABBO uncrossing, the per contract rebate or fee will be waived for all Origins

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹³

There are currently 16 registered options exchanges competing for order flow. Based on publicly-available information, and excluding index-based options, no single exchange has more than approximately 15% market share.¹⁴ Therefore, no exchange possesses significant pricing power. More specifically, as of March 24, 2020, the Exchange had an approximately 3.42%

¹³ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

¹⁴ The Options Clearing Corporation (“OCC”) publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/market-data/volume/default.jsp>.

market share of executed volume of multiply-listed equity and exchange traded fund (“ETF”) options for the month of March 2020.¹⁵ The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can discontinue or reduce use of certain categories of products and services, terminate an existing membership or determine to not become a new member, and/or shift order flow, in response to transaction fee changes. For example, on February 28, 2019, the Exchange’s affiliate, MIAX PEARL, LLC (“MIAX PEARL”) filed with the Commission a proposal to increase Taker fees in certain Tiers for options transactions in certain Penny classes for Priority Customers and decrease Maker rebates in certain Tiers for options transactions in Penny classes for Priority Customers (which fee was to be effective March 1, 2019).¹⁶ MIAX PEARL experienced a decrease in total market share for the month of March 2019, after the proposal went into effect. Accordingly, the Exchange believes that the MIAX PEARL March 1, 2019 fee change, to increase certain transaction fees and decrease certain transaction rebates, may have contributed to the decrease in MIAX PEARL’s market share and, as such, the Exchange believes competitive forces constrain the Exchange’s, and other options exchanges, ability to set transaction fees and market participants can shift order flow based on fee changes instituted by the exchanges.

The proposed changes are scheduled to become operative April 1, 2020.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act¹⁷ in general, and furthers the objectives of Section 6(b)(4) of the Act,¹⁸ in

¹⁵ See id.

¹⁶ See Securities Exchange Act Release No. 85304 (March 13, 2019), 84 FR 10144 (March 19, 2019) (SR-PEARL-2019-07).

¹⁷ 15 U.S.C. 78f(b).

¹⁸ 15 U.S.C. 78f(b)(4).

that it is an equitable allocation of reasonable dues, fees and other charges among Exchange members and issuers and other persons using its facilities, and 6(b)(5) of the Act,¹⁹ in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes its proposal to decrease Simple Maker rebates in certain Tiers for options transactions in Penny classes for Priority Customers and increase Simple Taker fees in certain Tiers for options transactions in Penny classes and non-Penny classes for Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firms, Broker-Dealers and Non-Priority Customers provides for the equitable allocation of reasonable dues and fees and is not unfairly discriminatory for the following reasons. The Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”²⁰ There are currently 16 registered options exchanges competing for order flow. Based on publicly-available information, and excluding index-based options, no single exchange has more than approximately 15% of the

¹⁹ 15 U.S.C. 78f(b)(1) and (b)(5).

²⁰ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

market share of executed volume of multiply-listed equity and ETF options trades as of March 24, 2020, for the month of March 2020.²¹ Therefore, no exchange possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, as of March 24, 2020, the Exchange had an approximately 3.42% market share of executed volume of multiply-listed equity and ETF options for the month of March 2020.²² The Exchange cannot predict with certainty the number of market participants that would qualify for the higher Simple Taker fees or lower Simple Maker rebates for each of the proposed changes as Members may continually shift among the different Tiers from month to month.

The Exchange believes that the ever-shifting market shares among the exchanges from month to month demonstrates that market participants can shift order flow, or discontinue or reduce use of certain categories of products, in response to transaction and/or non-transaction fee changes. For example, on February 28, 2019, the Exchange's affiliate, MIAX PEARL, filed with the Commission a proposal to increase Taker fees in certain Tiers for options transactions in certain Penny classes for Priority Customers and decrease Maker rebates in certain Tiers for options transactions in Penny classes for Priority Customers (which fee was to be effective March 1, 2019).²³ MIAX PEARL experienced a decrease in total market share for the month of March 2019, after the proposal went into effect. Accordingly, the Exchange believes that the MIAX PEARL March 1, 2019 fee change, to increase certain transaction fees and decrease certain transaction rebates, may have contributed to the decrease in MIAX PEARL's market share and, as such, the Exchange believes competitive forces constrain the Exchange's, and other

²¹ See supra note 14.

²² See id.

²³ See supra note 16.

options exchanges, ability to set transaction fees and market participants can shift order flow based on fee changes instituted by the exchanges.

The Exchange believes its proposal to decrease Simple Maker rebates in certain Tiers for options transactions in Penny classes for Priority Customers and increase Simple Taker fees in certain Tiers for options transactions in Penny classes and non-Penny classes for Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firms, Broker-Dealers and Non-Priority Customers is reasonable, equitable and not unfairly discriminatory because all similarly situated market participants in the same Origin type are subject to the same tiered Maker rebates and Taker fees and access to the Exchange is offered on terms that are not unfairly discriminatory. The Exchange believes it is equitable and not unfairly discriminatory to reduce the Simple Maker rebate to Priority Customer orders in Penny classes for competitive and business reasons because the Exchange initially set its Simple Maker rebates for such orders higher than certain other options exchanges that operate comparable maker/taker pricing models.²⁴ The Exchange now believes that it is appropriate to further decrease those specified Simple Maker rebates so that they are more in line with other exchanges, and will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and maintain market share.²⁵

Furthermore, the proposed decreases to the Simple Maker rebates for Priority Customers promotes just and equitable principles of trade, fosters cooperation and coordination with persons engaged in facilitating transactions in securities, and protects investors and the public interest, because even with the decreases, the Exchange's proposed Simple Maker rebates for such orders still remain highly competitive with certain other options exchanges offering

²⁴ See supra note 11.

²⁵ See supra note 12.

comparable pricing models, and should enable the Exchange to continue to attract order flow and maintain market share.²⁶ The Exchange believes that the amount of such fees, as proposed to be decreased, will continue to encourage those market participants to send orders to the Exchange. The Exchange further believes that it is appropriate to decrease the Simple Maker rebates for Priority Customers in SPY, QQQ and IWM options classes because these select products are generally more liquid than other options classes.

The proposed Simple Taker fee adjustments in certain specified Tiers applicable to certain orders submitted by Priority Customers, Market Makers, Non-MIAX Emerald Market Makers, Firms, Broker-Dealers and Non-Priority Customers in Penny and non-Penny classes are reasonable, equitable and not unfairly discriminatory because all similarly situated market participants in the same Origin type are subject to the same tiered Taker fees and access to the Exchange is offered on terms that are not unfairly discriminatory. For competitive and business reasons, the Exchange initially set its Simple Taker fees for such orders generally lower than certain other options exchanges that operate comparable maker/taker pricing models.²⁷ The Exchange now believes that it is appropriate to further increase those specified Simple Taker fees so that they are more in line with other exchanges, and will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and maintain market share. The Exchange believes for these reasons that increasing certain Simple Taker fees for transactions in the specified Tiers is equitable, reasonable and not unfairly discriminatory, and thus consistent with the Act.

²⁶ See id.

²⁷ See supra notes 11 and 12.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed changes in the specified Simple Maker rebates and Simple Taker fees for the applicable market participants should continue to encourage the provision of liquidity that enhances the quality of the Exchange's market and increases the number of trading opportunities on the Exchange for all participants who will be able to compete for such opportunities. The proposed rule changes should enable the Exchange to continue to attract and compete for order flow with other exchanges. However, this competition does not create an undue burden on competition but rather offers all market participants the opportunity to receive the benefit of competitive pricing.

The proposed Simple Maker rebate decreases and Simple Taker fee adjustments are intended to keep the Exchange's fees highly competitive with those of other exchanges, and to encourage liquidity and should enable the Exchange to continue to attract and compete for order flow with other exchanges. 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 rebates and fees to remain competitive with other exchanges and to attract order flow. The Exchange believes that the proposed rule changes reflect this competitive environment because they modify the Exchange's fees in a manner that encourages market participants to continue to provide liquidity and to send order flow to the Exchange.

IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail [to rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-EMERALD-2020-04 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-EMERALD-2020-04. 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-EMERALD-2020-04 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.²⁸

Vanessa Countryman
Secretary

²⁸ 17 CFR 200.30-3(a)(12).

Exhibit 5

New text is underlined;
 Deleted text is in [brackets]

MIAX Emerald Fee Schedule

1) Transaction Fees

a) Exchange Rebates/Fees

i) Transaction Fees

Tiers and their application are defined in Tier section 1)a)ii)

| Members and Their Affiliates In Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|--|-------------------------------------|---|---|----------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ^o | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker | Agency | Contra | Responder |
| Market Maker | 1 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.35) | \$0.50 | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.45) | [\$0.48] <u>\$0.50</u> | \$0.10 | \$0.47 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Non-MIAX Emerald Market Maker | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | [\$0.48] <u>\$0.50</u> | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Firm Proprietary/ Broker- Dealer | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | [\$0.49] <u>\$0.50</u> | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Non-Priority Customer | 1 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | \$0.50 | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | [\$0.49] <u>\$0.50</u> | \$0.20 | \$0.50 | \$0.50 | \$0.05 | \$0.05 | \$0.05 |
| Priority Customer* | 1 | [((\$0.48))] <u>[((\$0.43))]</u> [∇] | [\$0.47] <u>[\$0.50]</u> | (\$0.25) | (\$0.25) | (\$0.25) | \$0.00 | \$0.05 | \$0.05 |
| | 2 | [((\$0.48))] <u>[((\$0.43))]</u> [∇] | [\$0.47] <u>[\$0.50]</u> | (\$0.40) | (\$0.40) | (\$0.40) | \$0.00 | \$0.05 | \$0.05 |

| Members and Their Affiliates In Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|---|------------------------|---|---|----------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ⁰ | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker | Agency | Contra | Responder |
| | 3 | [(\$0.48)](\$0.43) ^v | [\$0.47] <u>\$0.50</u> | (\$0.45) | (\$0.45) | (\$0.45) | \$0.00 | \$0.05 | \$0.05 |
| | 4 | (\$0.53) | [\$0.45] <u>\$0.50</u> | (\$0.50) | (\$0.50) | (\$0.50) | \$0.00 | \$0.05 | \$0.05 |

| Members and Their Affiliates In Non-Penny Classes Simple/Complex/PRIME/cPRIME | | | | | | | | | |
|--|------|----------|------------------------|---|---|--------------------|---------------------------|--------|-----------|
| Origin | Tier | Simple | | Complex [#] | | | PRIME/cPRIME ⁰ | | |
| | | Maker | Taker [^] | Maker (Contra Origins ex Priority Customer) | Maker (Contra Priority Customer Origin) | Taker [~] | Agency | Contra | Responder |
| Market Maker | 1 | (\$0.45) | [\$0.99] <u>\$1.05</u> | \$0.20 | \$0.86 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.45) | [\$0.99] <u>\$1.05</u> | \$0.20 | \$0.86 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.45) | [\$0.99] <u>\$1.05</u> | \$0.20 | \$0.86 | \$0.86 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.75) | [\$0.94] <u>\$1.05</u> | \$0.20 | \$0.86 | \$0.86 | \$0.05 | \$0.05 | \$0.05 |
| Non-MIAX Emerald Market Maker | 1 | (\$0.25) | [\$0.99] <u>\$1.05</u> | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | [\$0.99] <u>\$1.05</u> | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | [\$0.99] <u>\$1.05</u> | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | [\$0.94] <u>\$1.05</u> | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Firm Proprietary/ Broker- Dealer | 1 | (\$0.25) | [\$0.99] <u>\$1.05</u> | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | [\$0.99] <u>\$1.05</u> | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | [\$0.99] <u>\$1.05</u> | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | [\$0.94] <u>\$1.05</u> | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Non-Priority Customer | 1 | (\$0.25) | [\$0.99] <u>\$1.05</u> | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 2 | (\$0.25) | [\$0.99] <u>\$1.05</u> | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 3 | (\$0.25) | [\$0.99] <u>\$1.05</u> | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| | 4 | (\$0.25) | [\$0.94] <u>\$1.05</u> | \$0.20 | \$0.88 | \$0.88 | \$0.05 | \$0.05 | \$0.05 |
| Priority Customer* | 1 | (\$0.85) | \$0.85 | (\$0.40) | (\$0.40) | (\$0.40) | \$0.00 | \$0.05 | \$0.05 |
| | 2 | (\$0.85) | \$0.85 | (\$0.60) | (\$0.60) | (\$0.60) | \$0.00 | \$0.05 | \$0.05 |
| | 3 | (\$0.85) | \$0.85 | (\$0.70) | (\$0.70) | (\$0.75) | \$0.00 | \$0.05 | \$0.05 |
| | 4 | (\$1.05) | [\$0.82] <u>\$0.85</u> | (\$0.87) | (\$0.87) | (\$0.85) | \$0.00 | \$0.05 | \$0.05 |

- ^ Contra to Priority Customer Simple Orders, Origins ex Priority Customer Simple Orders will be charged \$0.50 and Priority Customer Simple Orders will be charged [~~\$0.49~~]\$0.50 in Penny classes, and Origins ex Priority Customer Simple Orders will be charged \$1.10 and Priority Customer Simple Orders will be charged \$0.85 in Non-Penny classes.
- * Priority Customer Complex Orders contra to Priority Customer Complex Orders are neither charged nor rebated. Priority Customer Complex Orders that leg into the Simple book are neither charged nor rebated.
- ~ A \$0.05 Complex surcharge for Origins ex Priority Customer for Complex Orders that take liquidity from the Complex Order Book in Non-Penny classes.
- # For orders in a Complex Auction, Priority Customer Complex Orders will receive the Complex Taker rebate based on the tier achieved when contra to an Origin that is not a Priority Customer. Origins that are not a Priority Customer will be charged the applicable Maker fee depending on the contra, based on the tier achieved.
- ◇ For PRIME and cPRIME, the per contract rebate or fee for the preexisting contra-side interest that trades with the Agency side will be waived. PRIME/cPRIME Responder side interest that trades with unrelated Agency side interest trades as Taker will be subject to Simple or Complex rates, as applicable.
- ▽ Simple Maker rebate in SPY, QQQ and IWM is [~~(\$0.50)~~](\$0.45) for Priority Customer Origin in Tiers 1, 2 and 3.

Notes Accompanying Tables Above

During the Opening Rotation and the ABBO uncrossing, the per contract rebate or fee will be waived for all Origins.
