

OMB APPROVAL

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Page 1 of * 21 **SECURITIES AND EXCHANGE COMMISSION** File No.* SR - 2013 - * 24
 WASHINGTON, D.C. 20549
 Form 19b-4 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"/>
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 type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input checked="" type="checkbox"/> 19b-4(f)(6)		

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 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 *).

Amend Rule 605

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 * Claire P. Last Name * McGrath
 Title * Legal Consultant
 E-mail * cmcgrath@miami-holdings.com
 Telephone * (607) 897-1464 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.

Date 05/22/2013
 By James C. Morgan (Name *)
 Associate Counsel and Assistant Vice President (Title *)
 James Morgan, jmorgan@miami

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

Required fields are shown with yellow backgrounds and asterisks.

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

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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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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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 Sent As Paper Document

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

Add Remove View

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

1. Text of the Proposed Rule Change

(a) Miami International Securities Exchange, LLC (“MIAX” or “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² proposes to amend Rule 605 to delete the provision that includes executions resulting from orders in a Market Maker’s appointed classes as part of the limitation on executions in a Market Maker’s non-appointed classes.

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

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Chief Executive Officer of the Exchange pursuant to authority delegated by the MIAX Board of Directors on December 5, 2012. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the proposed rule change.

Questions and comments on the proposed rule change may be directed to Claire P. McGrath, Consultant, (609) 897-1464.

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 purpose of the proposed rule change is to eliminate an unnecessary provision in Rule 605 that places a limitation on orders that can be submitted by a Market Maker in its appointed classes. Rule 605 governs the submission of orders by Market Makers; differentiating between orders submitted in classes to which the Market Maker is appointed and orders submitted in classes to which the Market Maker is not appointed. Paragraph (a) governs option classes to which the Market Maker is appointed and limits the types of orders that can be submitted by a Market Maker in its appointed classes. Paragraph (b) governs option classes other than those to which the Market Maker was appointed. Market Makers can submit all types of orders in non-appointed classes, but subparagraphs (b)(2) and (b)(3) place limitations on the overall percentage of executions that can occur in the non-appointed classes. Specifically, subparagraph (b)(2) limits a Registered Market Maker's total number of contracts executed in non-appointed option classes to 25% of the Registered Market Maker's total number of contracts executed in its appointed option classes and subparagraph (b)(3) limits a Lead Market Maker's total number of contracts executed in non-appointed option classes to 10% of the Lead Market Maker's total number of contracts executed in its appointed option classes. The Exchange places further limitations in subparagraphs (b)(2) and (b)(3) by including in the 25% limitation for Registered Market Makers and in the 10% limitation for Lead Market Makers, contracts resulting from the execution of orders in appointed classes.

Traditionally, the purpose of limiting the number of contracts executed in non-appointed classes to a small percentage of contracts executed in appointed classes was to encourage Market Makers to provide liquidity in their appointed classes. Such a limitation was important at "floor-

based” exchanges, since market makers were limited in the number of classes in which they could physically make markets and it was in the floor-based exchange’s interest that market makers focus their market making abilities on their appointed classes. Although, limitations on trading in non-appointed classes is less important on a fully electronic exchange, since electronic quoting and trading systems allow market makers to make markets and provide liquidity in many more option classes than on a floor-based exchange, MIAX still believes focusing its Registered Market Makers and its Lead Market Makers on trading in their appointed classes is important for providing the greatest amount of liquidity in those classes and intends to keep that part of the limitation intact.

The second provision in subparagraphs (b)(2) and (b)(3) includes contracts resulting from the execution of orders in appointed classes as part of the 25% limitation for Registered Market Makers and the 10% limitation for Lead Market Makers. By including orders in appointed classes, MIAX sought to encourage the use of quotes by Market Makers in their appointed classes by limiting the use of orders in their appointed classes.

The Exchange is now proposing to eliminate the provisions in subparagraphs (b)(2) and (b)(3) of Rule 605 that includes contracts resulting from the execution of orders in appointed classes in the 25% limitation for Registered Market Makers and in the 10% limitation for Lead Market Makers. The Exchange believes that the elimination of these provisions is appropriate since they are unnecessary given the restrictions on the use of orders in appointed classes set forth elsewhere in Rule 605. Specifically, Rule 605(a) limits the types of orders a Market Maker can enter in an appointed class; and Rule 605(c) accords a lower priority to executions resulting

from Market Maker orders (i.e., allocated with all other Professional Interest³) than to executions resulting from Market Maker priority quotes, which have precedence over other Professional Interest. These provisions provide a significant incentive for Market Makers to use quotes rather than orders in their appointed classes, which renders the further limitation on Market Maker orders in subparagraphs (b)(2) and (b)(3) unnecessary. In addition, a Market Maker's affirmative obligations to continuously quote in appointed classes for a significant part of the trading day as set forth in Rule 604 provides an additional incentive for Market Makers to use quotes and provides the Exchange with means for enforcing use of quotes by Market Makers in their appointed classes.

It should be noted that while some of the other options exchanges place limitations on market maker trading in non-appointed classes,⁴ none of those exchanges include orders in appointed classes in those limitations. The Exchange does not believe the proposed rule change will adversely impact the quality of the Exchange's markets or lead to a material decrease in liquidity. Rather, the Exchange believes that eliminating an unnecessary obligation on Market

³ Exchange Rule 100 defines "Professional Interest" as (i) an order that is for the account of a person or entity that is not a Priority Customer, or (ii) an order or non-priority quote for the account of a Market Maker.

⁴ CBOE Rule 8.7, Interpretations and Policies .03 provides that 75% of a market maker's total contract volume must be in classes to which the market maker is appointed, thus, only 25% of a market maker's contract volume can be in non-appointed classes. ISE Rule 805(b)(2) provides the total number of contracts executed during a quarter by a Competitive Market Maker ("CMM") in classes to which he is not appointed may not exceed 25% of the total number of contracts traded by such CMM in its appointed classes, and ISE Rule 805(b)(3) provides the total number of contracts executed during a quarter by a Primary Market Maker ("PMM") in classes to which he is not appointed may not exceed 10% of the total number of contracts traded by such PMM in its appointed classes. PHLX Rule 1014, Commentary .03 provides that 50% of Registered Options Trader's trading activity in any quarter (measured in terms of contract volume) shall ordinarily be in assigned classes. None of these exchanges includes executions resulting from orders in appointed classes when calculating the contract volume resulting from executions in non-appointed classes.

Makers, one that is not in place at other options exchanges, may increase the level of market making activity across all of a Market Makers appointed and non-appointed classes.

b. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act⁵ in general, and furthers the objectives of Section 6(b)(5) of the Act⁶ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

In particular, the Exchange believes this proposed rule change promotes just and equitable principles of trade because it reduces a burden and unnecessary restrictiveness on Market Makers. The Exchange still imposes many obligations on all Market Makers to maintain a fair and orderly market in their appointed classes, which the Exchange believes eliminates the risk of a material decrease in liquidity. While executions resulting from orders in appointed classes will no longer be used to calculate a Registered Market Maker's or a Lead Market Maker's percentage of contracts executed in non-appointed classes; MIAX still has in place rules that limit the use of orders in appointed classes and rules that both encourage and require the use of quotes by Market Makers. Accordingly, the proposal supports the quality of MIAX's markets by helping to ensure that Market Makers will continue to be obligated to and have incentives to use quotes rather than orders in their appointed classes. The benefit provided to the Market Maker from the proposed elimination of orders in appointed classes from the calculation of a

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

Market Maker's trading activity in non-appointed classes is offset by the continued limitations on the use of orders and the affirmative obligations of Market Makers to provide continuous quotes. Ultimately, the benefit the proposed rule change confers upon Market Makers is offset by the continued responsibilities to provide significant liquidity to the market to the benefit of market participants.

In addition, the Exchange believes this proposed rule change promotes just and equitable principles of trade because it reduces a burden and unnecessary restrictiveness on Market Makers. The Exchange believes the proposal removes a Market Maker limitation that is unnecessary, as evidenced by the fact that it does not exist on other competitive markets.

Finally, in determining to revise requirements for its Market Makers, MIAX is mindful of the balance between the obligations and the benefits bestowed on its Market Makers. The proposal will change obligations currently in place for Market Makers; however, the Exchange does not believe that these changes reduce the overall obligations applicable to Market Makers. In this respect, the Exchange notes that its Market Makers are subject to many limitations and obligations, such as the types of orders that can be submitted in appointed classes, the fact that executions resulting from orders in appointed classes confer a lower level of priority on Market Makers, and the Market Maker's affirmative obligations to continuously quote in appointed classes for a significant part of the trading day provides an additional incentive for Market Makers to use quotes and provides the Exchange with means for enforcing use of quotes by Market Makers in their appointed classes.

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

MIAX does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The

Exchange operates in a highly competitive market comprised of eleven U.S. options exchanges in which sophisticated and knowledgeable market participants can, and do, send order flow to competing exchanges if they deem trading practices at a particular exchange to be onerous or cumbersome. The proposed rule change allows the Exchange to eliminate a limitation on the use of orders in appointed classes that is not in place at other option exchanges, thus allowing MIAX to attract more Market Makers to its developing options marketplace. By providing Market Maker limitations and obligations that are more consistent with market maker limitations and obligations in place at other option exchanges, competition for the liquidity providing services of market makers is enhanced. MIAX is better able to compete for the services of market makers when its requirements for market makers are consistent with the other options exchanges.

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

No written comments were either solicited or received.

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

Not applicable.

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

Pursuant to Section 19(b)(3)(A) of the Act⁷ and Rule 19b-4(f)(6)⁸ thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement. Furthermore, a proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act⁹ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)¹⁰ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest.

The Exchange requests a waiver of the 30 day operative delay in order to eliminate obligations for Market Makers that are unnecessary and inconsistent with obligations in place at other options exchanges. Waiver of the operative delay is consistent with the protection of investors and the public interest because it will ensure fair competition among the exchanges and encourage greater liquidity on the MIAX to the benefit of investors. The proposed rule change will also immediately benefit Market Makers by assuring consistency and uniformity among the competing options exchanges that have eliminated their opening quoting requirements for market makers and reduce the current compliance burdens imposed by the application of different opening quoting standards. It is of significant importance to MIAX to put these revisions in place as soon as possible as it works to quickly build its options marketplace by attracting liquidity providers. Unlike established exchanges with a base of market makers in place, MIAX is seeking to attract market makers by offering a program that does not place undue obligations and compliance burdens on potential market making candidates. MIAX believes that a waiver of

⁹ 17 CFR 240.19b-4(f)(6).

¹⁰ 17 CFR 240.19b-4(f)(6).

the operative delay will allow MIAX to attract market makers that can support its developing marketplace without further delay.

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

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission. However, as noted in footnote 4 and accompanying text above, none of the other options exchanges that place limitations on market maker trading in non-appointed classes, include orders in appointed classes in those limitations. By eliminating the provision in MIAX Rule 605 that includes orders in appointed classes as part of the limitation on MIAX Market Makers trading in non-appointed classes, MIAX rules will be consistent with rules at the Chicago Board Options Exchange, Incorporated; International Securities Exchange, LLC and NASDAQ OMX PHLX, Inc.

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

Not applicable.

11. Exhibits

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

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**
(Release No. 34- ; File No. SR-MIAX-2013-24

May __, 2013

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange LLC to Amend Rule 605 Regarding Orders in a Market Maker's Appointed Classes

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 May 22, 2013, Miami International Securities Exchange LLC ("MIAX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange is filing a proposal to amend Rule 605 to delete the provision that includes executions resulting from orders in a Market Maker's appointed classes as part of the limitation on executions in a Market Maker's non-appointed classes.

The text of the proposed rule change is available on the Exchange's website at http://www.miaxoptions.com/filter/wotitle/rule_filing, 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 purpose of the proposed rule change is to eliminate an unnecessary provision in Rule 605 that places a limitation on orders that can be submitted by a Market Maker in its appointed classes. Rule 605 governs the submission of orders by Market Makers; differentiating between orders submitted in classes to which the Market Maker is appointed and orders submitted in classes to which the Market Maker is not appointed. Paragraph (a) governs option classes to which the Market Maker is appointed and limits the types of orders that can be submitted by a Market Maker in its appointed classes. Paragraph (b) governs option classes other than those to which the Market Maker was appointed. Market Makers can submit all types of orders in non-appointed classes, but subparagraphs (b)(2) and (b)(3) place limitations on the overall percentage of executions that can occur in the non-appointed classes. Specifically, subparagraph (b)(2) limits a Registered Market Maker's total number of contracts executed in non-appointed option classes to 25% of the Registered Market Maker's total number of contracts executed in its appointed option classes and subparagraph (b)(3) limits a Lead Market Maker's total number of contracts executed in non-appointed option classes to 10% of the Lead Market Maker's total number of contracts executed in its appointed option classes. The Exchange places further

limitations in subparagraphs (b)(2) and (b)(3) by including in the 25% limitation for Registered Market Makers and in the 10% limitation for Lead Market Makers, contracts resulting from the execution of orders in appointed classes.

Traditionally, the purpose of limiting the number of contracts executed in non-appointed classes to a small percentage of contracts executed in appointed classes was to encourage Market Makers to provide liquidity in their appointed classes. Such a limitation was important at “floor-based” exchanges, since market makers were limited in the number of classes in which they could physically make markets and it was in the floor-based exchange’s interest that market makers focus their market making abilities on their appointed classes. Although, limitations on trading in non-appointed classes is less important on a fully electronic exchange, since electronic quoting and trading systems allow market makers to make markets and provide liquidity in many more option classes than on a floor-based exchange, MIAX still believes focusing its Registered Market Makers and its Lead Market Makers on trading in their appointed classes is important for providing the greatest amount of liquidity in those classes and intends to keep that part of the limitation intact.

The second provision in subparagraphs (b)(2) and (b)(3) includes contracts resulting from the execution of orders in appointed classes as part of the 25% limitation for Registered Market Makers and the 10% limitation for Lead Market Makers. By including orders in appointed classes, MIAX sought to encourage the use of quotes by Market Makers in their appointed classes by limiting the use of orders in their appointed classes.

The Exchange is now proposing to eliminate the provisions in subparagraphs (b)(2) and (b)(3) of Rule 605 that includes contracts resulting from the execution of orders in appointed classes in the 25% limitation for Registered Market Makers and in the 10% limitation for Lead Market Makers. The Exchange believes that the elimination of these provisions is appropriate

since they are unnecessary given the restrictions on the use of orders in appointed classes set forth elsewhere in Rule 605. Specifically, Rule 605(a) limits the types of orders a Market Maker can enter in an appointed class; and Rule 605(c) accords a lower priority to executions resulting from Market Maker orders (i.e., allocated with all other Professional Interest³) than to executions resulting from Market Maker priority quotes, which have precedence over other Professional Interest. These provisions provide a significant incentive for Market Makers to use quotes rather than orders in their appointed classes, which renders the further limitation on Market Maker orders in subparagraphs (b)(2) and (b)(3) unnecessary. In addition, a Market Maker's affirmative obligations to continuously quote in appointed classes for a significant part of the trading day as set forth in Rule 604 provides an additional incentive for Market Makers to use quotes and provides the Exchange with means for enforcing use of quotes by Market Makers in their appointed classes.

It should be noted that while some of the other options exchanges place limitations on market maker trading in non-appointed classes,⁴ none of those exchanges include orders in appointed classes in those limitations. The Exchange does not believe the proposed rule change

³ Exchange Rule 100 defines "Professional Interest" as (i) an order that is for the account of a person or entity that is not a Priority Customer, or (ii) an order or non-priority quote for the account of a Market Maker.

⁴ CBOE Rule 8.7, Interpretations and Policies .03 provides that 75% of a market maker's total contract volume must be in classes to which the market maker is appointed, thus, only 25% of a market maker's contract volume can be in non-appointed classes. ISE Rule 805(b)(2) provides the total number of contracts executed during a quarter by a Competitive Market Maker ("CMM") in classes to which he is not appointed may not exceed 25% of the total number of contracts traded by such CMM in its appointed classes, and ISE Rule 805(b)(3) provides the total number of contracts executed during a quarter by a Primary Market Maker ("PMM") in classes to which he is not appointed may not exceed 10% of the total number of contracts traded by such PMM in its appointed classes. PHLX Rule 1014, Commentary .03 provides that 50% of Registered Options Trader's trading activity in any quarter (measured in terms of contract volume) shall ordinarily be in assigned classes. None of these exchanges includes executions resulting from orders in appointed classes when calculating the contract volume resulting from executions in non-appointed classes.

will adversely impact the quality of the Exchange's markets or lead to a material decrease in liquidity. Rather, the Exchange believes that eliminating an unnecessary obligation on Market Makers, one that is not in place at other options exchanges, may increase the level of market making activity across all of a Market Makers appointed and non-appointed classes.

2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act⁵ in general, and furthers the objectives of Section 6(b)(5) of the Act⁶ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

In particular, the Exchange believes this proposed rule change promotes just and equitable principles of trade because it reduces a burden and unnecessary restrictiveness on Market Makers. The Exchange still imposes many obligations on all Market Makers to maintain a fair and orderly market in their appointed classes, which the Exchange believes eliminates the risk of a material decrease in liquidity. While executions resulting from orders in appointed classes will no longer be used to calculate a Registered Market Maker's or a Lead Market Maker's percentage of contracts executed in non-appointed classes; MIAX still has in place rules that limit the use of orders in appointed classes and rules that both encourage and require the use of quotes by Market Makers. Accordingly, the proposal supports the quality of MIAX's markets by helping to ensure that Market Makers will continue to be obligated to and have incentives to

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

use quotes rather than orders in their appointed classes. The benefit provided to the Market Maker from the proposed elimination of orders in appointed classes from the calculation of a Market Maker's trading activity in non-appointed classes is offset by the continued limitations on the use of orders and the affirmative obligations of Market Makers to provide continuous quotes. Ultimately, the benefit the proposed rule change confers upon Market Makers is offset by the continued responsibilities to provide significant liquidity to the market to the benefit of market participants.

In addition, the Exchange believes this proposed rule change promotes just and equitable principles of trade because it reduces a burden and unnecessary restrictiveness on Market Makers. The Exchange believes the proposal removes a Market Maker limitation that is unnecessary, as evidenced by the fact that it does not exist on other competitive markets.

Finally, in determining to revise requirements for its Market Makers, MIAX is mindful of the balance between the obligations and the benefits bestowed on its Market Makers. The proposal will change obligations currently in place for Market Makers; however, the Exchange does not believe that these changes reduce the overall obligations applicable to Market Makers. In this respect, the Exchange notes that its Market Makers are subject to many limitations and obligations, such as the types of orders that can be submitted in appointed classes, the fact that executions resulting from orders in appointed classes confer a lower level of priority on Market Makers, and the Market Maker's affirmative obligations to continuously quote in appointed classes for a significant part of the trading day provides an additional incentive for Market Makers to use quotes and provides the Exchange with means for enforcing use of quotes by Market Makers in their appointed classes.

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 operates in a highly competitive market comprised of eleven U.S. options exchanges in which sophisticated and knowledgeable market participants can, and do, send order flow to competing exchanges if they deem trading practices at a particular exchange to be onerous or cumbersome. The proposed rule change allows the Exchange to eliminate a limitation on the use of orders in appointed classes that is not in place at other option exchanges, thus allowing MIAX to attract more Market Makers to its developing options marketplace. By providing Market Maker limitations and obligations that are more consistent with market maker limitations and obligations in place at other option exchanges, competition for the liquidity providing services of market makers is enhanced. MIAX is better able to compete for the services of market makers when its requirements for market makers are consistent with the other options exchanges.

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act⁷ and Rule 19b-4(f)(6)⁸ thereunder.

⁷ 15 U.S.C. 78s(b)(3)(A).

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail [to rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-MIAX-2013-24 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-MIAX-2013-24. This file number should be included on the subject line if e-mail is used. To help the Commission process and

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

review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-MIAX-2013-24 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.⁹

Kevin M. O'Neill
Deputy Secretary

⁹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC

Rule 605. Market Maker Orders

(a) **Options Classes to Which Appointed.** Market Makers may place principal orders to buy or sell options in the options classes to which they are appointed under Rule 602, including day limit orders, opening orders (“OPG”), auction or cancel orders (“AOC”) orders, immediate-or-cancel orders, and fill-or-kill orders. Market Makers may not enter market orders or good ‘til cancelled orders (“GTC”) in their assigned classes. Registered Market Makers shall comply with the provisions of Rule 604(e)(~~2~~3)(i) upon the entry of such orders if they were not previously quoting in the series.

(b) **Options Classes Other Than Those to Which Appointed.**

(1) No Change.

(2) **Registered Market Makers.** The total number of contracts executed during a quarter by a Registered Market Maker in options classes to which it is not appointed may not exceed twenty-five percent (25%) of the total number of contracts traded by such Registered Market Maker in classes to which it is appointed and with respect to which it was quoting pursuant to Rule 604(e) in any calendar quarter. [Also included in this 25% limitation are contracts executed in the Registered Market Maker’s appointed classes that result from the execution of an order submitted by the Registered Market Maker.]

(3) **Lead Market Makers.** The total number of contracts executed during a quarter by a Lead Market Maker (including those Lead Market Makers appointed as Primary Lead Market Makers) in options classes to which it is not appointed may not exceed ten percent (10%) of the total number of contracts traded by such Lead Market Maker in classes to which it is appointed and with respect to which it was quoting pursuant to Rule 604(e)(1). [Also included in this 10% limitation are contracts executed in the Lead Market Maker’s appointed classes that result from the execution of an order submitted by the Lead Market Maker.]

(c) No Change.
