Filing by Miami International Securities Exchange, LLC.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * Amendment Withdrawal

Section 19(b)(2) * Section 19(b)(3)(A) Section 19(b)(3)(B) *

Pilot

Extension of Time Period for Commission Action * Date Expires *

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

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 806(e)(1) Section 806(e)(2)

Description

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

Extend the SPY Pilot Program that eliminates Position and Expiration Limits.

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 * Brian Last Name * O'Neill
Title * Vice President and Senior Counsel
E-mail * bonell@miami-holdings.com
Telephone * (609) 897-1434 Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 11/28/2013 By Brian O'Neill

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.
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.

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).

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.

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.

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.

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.

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 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 Exchange Rules 307 and 309 to extend the pilot program that eliminates the position and exercise limits for physically-settled options on the SPDR S&P 500 ETF Trust (“SPY Pilot Program”).

   A notice of the proposed rule change for publication in the *Federal Register* is attached hereto as Exhibit 1, and a copy of the proposed rule text 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 of the Exchange 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 Brian O’Neill, Vice President and Senior Counsel, at (609) 897-1434.

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

   a. **Purpose**

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The Exchange proposes to amend Exchange Rule 307, Commentary .01, Position Limits, and Exchange Rule 309, Commentary .01, Exercise limits, to extend the duration of the SPY Pilot Program through December 15, 2014. There are no substantive changes being proposed to the SPY Pilot Program.

In proposing to extend the SPY Pilot Program, the Exchange affirms its consideration of several factors that support the proposal to establish the SPY Pilot Program, which include: (1) the liquidity of the option and the underlying security; (2) the market capitalization of the underlying security and the securities that make up the S&P 500 Index; (3) options reporting requirements; and (4) financial requirements imposed by MIAX and the Commission.

The Pilot Report for the SPY Pilot Program is not due until on or before January 5, 2014. However, because not all self-regulatory organizations ("SROs") have adopted similar rules eliminating position and exercise limits for SPY options and because market participants that are members of such SROs are required to comply with the more restrictive SPY option position and exercise limits, no market participants have availed themselves of the SPY Pilot Program. As a result, there is not sufficient data to compile a meaningful Pilot Report at this time to file with this current extension request.

The Exchange believes that it is appropriate to extend the SPY Pilot Program for an additional thirteen months to provide time for other SROs to adopt similar pilot programs that eliminate positions and exercise limits for SPY options. In that event (and in a year's time), the Exchange will be able to either extend the SPY Pilot Program, adopt the SPY Pilot Program on a permanent basis, or terminate the SPY Pilot Program.

The Exchange represents that the Pilot Report would be submitted within thirty (30) days of the end of the first twelve months of the extended SPY Pilot Program time period and would
cover the twelve months that just ended. The Pilot Report will compare the impact of the pilot program, if any, on the volumes of SPY options and the volatility in the price of the underlying SPY contract, particularly at expiration. The Pilot Report also will detail the size and different types of strategies employed with respect to positions established in SPY options; note whether any problems, in the underlying SPY ETF or otherwise, arose as a result of the no-limit approach; and include any other information that may be useful in evaluating the effectiveness of the pilot program. In preparing the Pilot Report, the Exchange will utilize various data elements such as volume and open interest. In addition the Exchange would make available to Commission staff data elements relating to the effectiveness of the SPY Pilot Program.

b. **Statutory Basis**

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act\(^3\) in general, and furthers the objectives of 6(b)(5) of the Act\(^4\) 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 mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

Specifically, the Exchange believes that extending the SPY Pilot Program promotes just and equitable principles of trade by permitting market participants, including market makers, institutional investors and retail investors, to establish greater positions when pursuing their investment goals and needs.

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\(^3\) 15 U.S.C. 78f(b).

4. **Self-Regulatory Organization’s Statement on Burden on Competition**

MIAX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. The proposed rule change is not designed to address any aspect of competition, whether between the Exchange and its competitors, or among market participants. Instead, the proposed rule change is designed to allow the SPY Pilot Program to continue while other SROs adopt similar provisions.

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**

The Exchange does not consent to an extension of the time period for Commission action.

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 Act and Rule 19b-4(f)(6) thereunder, MIAX has designated this proposal as one that affects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that the proposal is non-controversial and would not significantly affect the protection of investors because it permits market participants to establish greater positions when pursuing their investment goals and needs. At the same time, the Exchange
believes that the continued elimination of position and exercise limits for SPY options would not increase market volatility or facilitate the ability to manipulate the market. In addition, the Exchange believes that extending the SPY Pilot Program would provide additional time for other SROs to adopt similar rules eliminating position requirements for SPY options. The proposed rule change is also substantially similar in all material respects to filings by other competing options exchanges.\(^5\) 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. Furthermore, a proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange respectfully requests that the Commission waive the 30-day operative delay. 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 by allowing the SPY Pilot Program to continue without interruption.

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.

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

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The proposed rule is based on the recently noticed proposal of NYSE MKT LLC.\textsuperscript{6}

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. Completed notice of proposed rule change for publication in the Federal Register.
   5. Copy of the proposed rule text.

\textsuperscript{6} See id.
SEcurities and exchange commission

/release no. 34-____; file no. SR-Miax-2013-53

November__, 2013


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 November 26, 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 Exchange Rules 307 and 309 to extend the pilot program that eliminates the position and exercise limits for physically-settled options on the SPDR S&P 500 ETF Trust ("SPY Pilot Program").


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

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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 Exchange Rule 307, Commentary .01, Position Limits, and Exchange Rule 309, Commentary .01, Exercise limits, to extend the duration of the SPY Pilot Program through December 15, 2014. There are no substantive changes being proposed to the SPY Pilot Program.

In proposing to extend the SPY Pilot Program, the Exchange affirms its consideration of several factors that support the proposal to establish the SPY Pilot Program, which include: (1) the liquidity of the option and the underlying security; (2) the market capitalization of the underlying security and the securities that make up the S&P 500 Index; (3) options reporting requirements; and (4) financial requirements imposed by MIAX and the Commission.

The Pilot Report for the SPY Pilot Program is not due until on or before January 5, 2014. However, because not all self-regulatory organizations ("SROs") have adopted similar rules eliminating position and exercise limits for SPY options and because market participants that are members of such SROs are required to comply with the more restrictive SPY option position and exercise limits, no market participants have availed themselves of the SPY Pilot Program. As a result, there is not sufficient data to compile a meaningful Pilot Report at this time to file with this current extension request.

The Exchange believes that it is appropriate to extend the SPY Pilot Program for an additional thirteen months to provide time for other SROs to adopt similar pilot programs that eliminate positions and exercise limits for SPY options. In that event (and in a year’s time), the
Exchange will be able to either extend the SPY Pilot Program, adopt the SPY Pilot Program on a permanent basis, or terminate the SPY Pilot Program.

The Exchange represents that the Pilot Report would be submitted within thirty (30) days of the end of the first twelve months of the extended SPY Pilot Program time period and would cover the twelve months that just ended. The Pilot Report will compare the impact of the pilot program, if any, on the volumes of SPY options and the volatility in the price of the underlying SPY contract, particularly at expiration. The Pilot Report also will detail the size and different types of strategies employed with respect to positions established in SPY options; note whether any problems, in the underlying SPY ETF or otherwise, arose as a result of the no-limit approach; and include any other information that may be useful in evaluating the effectiveness of the pilot program. In preparing the Pilot Report, the Exchange will utilize various data elements such as volume and open interest. In addition the Exchange would make available to Commission staff data elements relating to the effectiveness of the SPY Pilot Program.

2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b)\(^3\) of the Act in general, and furthers the objectives of Section 6(b)(5)\(^4\) of the Act 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.

\(^3\) 15 U.S.C. 78f(b).

Specifically, the Exchange believes that extending the SPY Pilot Program promotes just and equitable principles of trade by permitting market participants, including market makers, institutional investors and retail investors, to establish greater positions when pursuing their investment goals and needs.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any aspect of competition, whether between the Exchange and its competitors, or among market participants. Instead, the proposed rule change is designed to allow the SPY Pilot Program to continue while other SROs adopt similar provisions.

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 Act\(^5\) and Rule 19b-4(f)(6)\(^6\) thereunder.


\(^6\) 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.
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. Please include File Number SR-MIAX-2013-53 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-2013-53. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s Internet Web site (http://www.sec.gov/rules/sro.shtml).

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

All submissions should refer to File Number SR-MIAX-2013-53 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.\textsuperscript{7}

Kevin M. O’Neill
Deputy Secretary

\textsuperscript{7} 17 CFR 200.30-3(a)(12).