

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-80690; File No. SR-MIAX-2017-21)

May 16, 2017

Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend MIAX Options Rules 301, Just and Equitable Principles of Trade; Rule 308, Exemptions from Position Limits; Rule 404, Series of Option Contracts Open for Trading; Rule 514, Priority of Quotes and Orders; Rule 1325, Telemarketing; and Rule 1400, Definitions

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on May 15, 2017, Miami International Securities Exchange, LLC (“MIAX Options” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange is filing a proposal to amend Exchange Rule 301, Just and Equitable Principles of Trade; Rule 308, Exemptions from Position Limits; Rule 404, Series of Option Contracts Open for Trading; Rule 514, Priority of Quotes and Orders; Rule 1325, Telemarketing; and Rule 1400, Definitions.

The text of the proposed rule change is available on the Exchange’s website at <http://www.miaxoptions.com/rule-filings>, at MIAX’s principal office, and at the Commission’s Public Reference Room.

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

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend Exchange Rules 301.02, 308(a)(7)(vi), 308(b)(6), 404.02(d), 514(e)(2), 1325(n)(20), and 1400(1) to make minor non-substantive corrective changes.

First, the Exchange propose to amend Exchange Rule 301, Just and Equitable Principles of Trade, Interpretations and Policies .02, to convert the numerical list item identifiers to alphabetical identifiers to properly conform to the hierarchical heading scheme used throughout the Exchange’s rulebook. Additionally, there are two alphabetical identifiers, “A” and “B”, located further in the paragraph which must be converted to numerical identifiers “1” and “2” respectively, to align to the hierarchical heading scheme of the Exchange’s Rulebook. Therefore, the Exchange proposes to replace the numerical identifiers with alphabetical identifiers located in the beginning of the paragraph, and to then in turn replace the alphabetical identifiers with numerical identifiers for the references which occur later in the paragraph.

Second, the Exchange proposes to amend Exchange Rule 308, Exemptions from Position Limits, to correct an incorrect cross reference. Exchange Rule 308(a)(7)(vi) states that a “Member on its own behalf or on behalf of a designated aggregation unit pursuant to Rule

308(a)(iv) shall also report ... ”. The reference to paragraph (a)(iv) of Rule 308 is incorrect as 308(a)(7)(iv) is the correct section, which is titled Effect on Aggregation of Account Positions. Therefore, the Exchange proposes to replace the reference to paragraph (a)(iv) with (a)(7)(iv). Additionally, the Exchange proposes to amend paragraph (b)(6) of Rule 308 to replace the alphabetical list identifiers (“A” through “D”) with romanette identifiers “i” through “iv” respectively, to align to the hierarchical heading scheme of the Exchange’s Rulebook.

Third, the Exchange proposes to amend Exchange Rule 404, Series of Option Contracts Open for Trading, Interpretations and Policies .02, Short Term Option Series Program, to correct a typographical error in paragraph (d). The fourth sentence in the paragraph begins, “Market makers,” whereas “makers” should be capitalized. Therefore, the Exchange proposes to amend the rule to replace the term “Market makers” with “Market Makers.”

Fourth, the Exchange proposes to amend Exchange Rule 514, Priority of Quotes and Orders, to correct an invalid cross reference in paragraph (e)(2) of the Rule. Exchange Rule 514(e)(2) describes “Market Maker non-priority quotes, (as described in Rule 517(b)(1)(ii)) and Market Maker orders in both assigned and non-assigned classes.” The reference to paragraph 517(b)(1)(ii) is incorrect as 517(b)(1)(ii) describes the Priority Quote Width Standard, whereas 517(b)(1)(iii) describes Non-Priority Quotes. Therefore, the Exchange proposes to replace the reference to 517(b)(1)(ii) with 517(b)(1)(iii).

Fifth, the Exchange proposes to amend Exchange Rule 1325, Telemarketing, to correct a typographical error in paragraph (n) subsection (20) where the word telemarketer is incorrectly spelled “telemarketer.”

Lastly, the Exchange proposes to amend Exchange Rule 1400, Definitions, to make a minor non-substantive correction to paragraph (l). Exchange Rule 1400(l) provides the

definition of the OPRA Plan as, “the plan filed with the SEC pursuant to Section 11Aa(1)(C)(iii) of the Exchange Act, approved by the SEC and declared effective as of January 22, 1976, as from time to time amended.” The reference to 11Aa(1)(C)(iii) is incorrect as the correct citation format is 11A(a)(1)(C)(iii). Therefore, the Exchange propose to replace 11Aa(1)(C)(iii) with 11A(a)(1)(C)(iii).

## 2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>3</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>4</sup> 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.

The Exchange believes the proposed rule changes promote just and equitable principles of trade and removes impediments to and perfects the mechanism of a free and open market and a national market system because the proposed rule change corrects errors in the hierarchical heading scheme to provide uniformity in the Exchange’s rulebook; corrects incorrect cross references; and corrects minor typographical errors. The Exchange notes that the proposed changes do not alter the application of each rule. As such, the proposed amendments would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and national exchange system. In particular, the Exchange believes that the proposed rule changes

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<sup>3</sup> 15 U.S.C. 78f(b).

<sup>4</sup> 15 U.S.C. 78f(b)(5).

will provide greater clarity to Members<sup>5</sup> and the public regarding the Exchange's Rules. It is in the public interest for rules to be accurate and concise so as to eliminate the potential for confusion.

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 will have no impact on competition as it is not designed to address any competitive issues but rather to add additional clarity to existing rules and to remedy minor non-substantive issues in the text of various rules identified in this proposal.

The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition as the Rules apply equally to all Exchange Members.

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<sup>6</sup> and

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<sup>5</sup> The term "Member" means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

Rule 19b-4(f)(6)<sup>7</sup> thereunder.

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

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### 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-2017-21 on the subject line.

##### Paper comments:

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

All submissions should refer to File Number SR-MIAX-2017-21. This file number should be included on the subject line if e-mail is used. To help the Commission process and

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<sup>7</sup> 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 website (<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-2017-21 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>8</sup> 17 CFR 200.30-3(a)(12).