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Page 1 of \* 24

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
Form 19b-4

File No. \* SR 2022 - \* 09

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"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<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 Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
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Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 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 \*).

To amend Exchange Rule 1308, Supervision of Accounts, to extend the temporary remote inspection relief for Members to include calendar year 2022.

### 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 *	Katherine	Last Name *	Comly
Title *	Legal Associate		
E-mail *	kcomly@miami-holdings.com		
Telephone *	(609) 613-1396	Fax	

### Signature

Pursuant to the requirements of the Securities Exchange of 1934, Miami International Securities Exchange, L has duty caused this filing to be signed on its behalf by the undersigned thereunto duty authorized.

Date	02/03/2022	(Title *)
By	Greg Ziegler (Name *)	Senior Counsel

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

*Gregory Ziegler* Date: 2022.02.03 10:17:04 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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SR-MIAX-2022-09 19b4.docx

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

**Exhibit 1 - Notice of Proposed Rule Change \***

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SR-MIAX-2022-09 Exhibit 1.docx

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 Advanced 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 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**

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SR-MIAX-2022-09 Exhibit 5.docx

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 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”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> proposes to amend Exchange Rule 1308, Supervision of Accounts, to extend the temporary remote inspection relief for Members<sup>3</sup> to complete their branch office<sup>4</sup> inspections for the calendar years 2020 and 2021 to include calendar year 2022 through December 31, 2022.

Notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and a copy of the proposed amended 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 or his designee pursuant to authority delegated by the MIAX Board of Directors on January 28, 2021. 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.

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

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

<sup>3</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>4</sup> A “branch office” is any location where one or more associated persons of a Member regularly conduct the business of effecting any transactions in, or inducing or attempting to induce the purchase or sale of any security, or is held out as such, with such exclusions pursuant to Exchange Rule 1306(c)(1)–(7). See Exchange Rule 1306(c).

Questions and comments on the proposed rule change may be directed to Katherine Comly, Legal Associate, at (609) 613-1396.

**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 Exchange Rule 1308, Supervision of Accounts, to extend the temporary remote inspection relief for Members to complete their branch office inspections for the calendar years 2020 and 2021 to include calendar year 2022 through December 31, 2022.

The COVID-19 pandemic has caused a host of operational disruptions to the securities industry and impacted Members, regulators, investors, and other stakeholders. In response to the pandemic, the Exchange began providing temporary relief to Members from specified Exchange Rules and requirements, including Exchange Rule 1308(d), Annual Branch Office Inspections.

Exchange Rules require Members to conduct branch<sup>5</sup> and non-branch office and location inspections pursuant to certain annual cycles. Specifically, pursuant to Exchange Rule 1308(d), each branch office that supervises one or more non-branch location must be inspected no less often than once each calendar year, unless it qualifies for certain exemptions.<sup>6</sup> Every branch

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<sup>5</sup> The Exchange notes that notwithstanding the exclusions in subparagraphs (c)(1)–(7) of Exchange Rule 1306, any location that is responsible for supervising the activities of persons associated with a Member at one or more non-branch locations of such Member is considered to be a branch office. See Exchange Rule 1306(d).

<sup>6</sup> A Member may demonstrate to the satisfaction of the Exchange that because of proximity, special reporting or supervisory practice, other arrangements may satisfy Exchange Rule 1308(d)'s requirements for a particular branch office, or that, based upon the written policies and procedures of such Member providing for a systematic risk-based surveillance system, the Member submits a proposal to the Exchange and receives, in writing, an exemption from the requirement in Exchange 1308(d), pursuant to Exchange Rule 1308(e).

office, without exception, must be inspected at least once every three calendar-years. Members must maintain written reports of such inspections.<sup>7</sup>

In November 2020, the Exchange adopted Exchange Rule 1308(d)(4) and (d)(5), which has expired by its terms, that extended the time by which Members must complete their calendar year 2020 inspection obligations to March 31, 2021, without an on-site visit to the office or location.<sup>8</sup> The Exchange Rule 1308(d)(5) automatically sunset on December 31, 2021, to provide Members the option of satisfying their inspection obligations under Exchange Rule 1308 remotely for calendar years 2020 and 2021, subject to specified conditions,<sup>9</sup> due to the logistical challenges of going on-site while public health and safety concerns related to COVID-19 persisted. The Exchange notes that these temporary rules are substantively identical to the temporary inspection extension and remote relief rules filed by the Financial Industry Regulatory Authority (“FINRA”).<sup>10</sup>

While there are signs of improvement, much uncertainty remains. The emergence of the COVID-19 variants,<sup>11</sup> dissimilar vaccination rates throughout the United States, and the uptick in

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<sup>7</sup> See Exchange Rule 1308(d)(2).

<sup>8</sup> See Securities Exchange Act Release No. 90937 (January 25, 2021), 86 FR 6944 (January 15, 2021) (SR-MIAX-2021-01).

<sup>9</sup> See id.

<sup>10</sup> See Securities and Exchange Act Release Nos. 89188 (June 30, 2020), 85 FR 40713 (July 7, 2020) (SR-FINRA-2020-019); and 90454 (November 18, 2020), 85 FR 75097 (November 24, 2020) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2020-040).

<sup>11</sup> See The Centers for Disease Control and Prevention (“CDC”), What You Need to Know About Variants, <https://www.cdc.gov/coronavirus/2019-ncov/variants/variant.html> (stating, in part, that “the Delta variant causes more infections and spreads faster than earlier forms of the virus that causes COVID19”) (updated September 3, 2021). See also CDC, The Possibility of COVID-19 Illness After Vaccination: Breakthrough Infections, <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/effectiveness/why-measure-effectiveness/breakthrough-cases.html> (stating, in part, that “COVID-19 vaccines are effective at preventing infection, serious illness, and death. Most people who get COVID-

transmissions in many locations indicate that COVID-19 remains an active and real public health concern.<sup>12</sup> The Exchange understands that Members have delayed their return-to-office plans due to the continued pandemic and are considering implementing or have implemented hybrid work arrangements dependent on functions and regulatory requirements.<sup>13</sup> To that end, in order to address ongoing industry-wide concerns regarding having to conduct in-person office inspections while safety concerns related to the pandemic persist and to align with pandemic-related regulatory relief provided by FINRA, which recently extended their substantively identical temporary remote inspection rules,<sup>14</sup> the Exchange proposes to extend Exchange Rule 1308(d)(5) to cover calendar year 2022 inspection obligations through December 31, 2022. The proposed extension would provide clarity to Members on regulatory requirements and account for the time needed for many Members to carefully assess when and how to have their

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19 are unvaccinated. However, since vaccines are not 100% effective at preventing infection, some people who are fully vaccinated will still get COVID-19 . . . People who get vaccine breakthrough infections can be contagious”) (updated August 23, 2021).

<sup>12</sup> For example, President Joe Biden on July 29, 2021, announced several measures to increase the number of people vaccinated against COVID-19 and to slow the spread of the Delta variant, including strengthening safety protocols for federal government employees and contractors. See <https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/29/factsheet-president-biden-to-announce-new-actions-to-get-more-americansvaccinated-and-slow-the-spread-of-the-delta-variant>. More recently, President Joe Biden on August 31, 2021, briefed the press on, among other things, the government’s response to the COVID-19 surge, noting the government’s continuing efforts to help states with Delta variant outbreaks. See <https://www.whitehouse.gov/briefing-rom/press-briefings/2021/08/31/pressbriefing-by-white-house-covid-19-response-team-and-public-health-officials-53/>.

<sup>13</sup> The Exchange notes that a majority of its Members are FINRA member firms as well, and that through FINRA’s ongoing monitoring, the Exchange has learned that many of its Members have delayed plans to require a full return to the office and that most continue to operate in a remote or hybrid environment.

<sup>14</sup> See Securities and Exchange Act Release Nos. 93002 (September 15, 2021), 86 FR 52508 (September 21, 2021) (SR-FINRA-2021-023); and 94018 (January 20, 2022), 87 FR 4072 (January 26, 2022) (SR-FINRA-2022-001).

employees safely return to their offices in light of vaccination coverage in the U.S. and transmission levels of the virus, including any emergent variants throughout the country.

By extending Exchange Rule 1308(d)(5) through December 31, 2022, the Exchange does not propose to amend the other conditions of the temporary rule. The proposed amendment to Exchange Rule 1308(d)(5) simply provides that for calendar year 2022, a Member has the option to conduct those inspections remotely through December 31, 2022. The current conditions of Exchange Rule 1308(d)(5) for Members that elect to conduct remote inspections would remain unchanged. Such Members must amend or supplement their written supervisory procedures for remote inspections, use remote inspections as part of an effective supervisory system, and maintain the required documentation. The additional period of time would also enable the Exchange to further monitor the effectiveness of remote inspections and their impacts—positive or negative—on Members' overall supervisory systems in the evolving workplace. Notwithstanding the proposed temporary rule change, a Member remains subject to the other requirements of Exchange Rule 1308(d).

The Exchange continues to believe this temporary remote inspection option is a reasonable alternative to provide to Members to fulfill their Exchange Rule 1308(d) obligations during the pandemic and is designed to achieve the investor protection objectives of the inspection requirements under these unique circumstances. Members should consider whether, under their particular operating conditions, reliance on remote inspections would be reasonable under the circumstances. For example, Members with offices that are open to the public or that are otherwise doing business as usual should consider whether some form of in-person inspections would be feasible and appropriately contribute to a supervisory system that is

reasonably designed to achieve compliance with applicable securities laws and regulations as well as with applicable Exchange Rules.

The Exchange notes that the proposed rule change is substantively identical to the proposed rule changes recently filed by FINRA.<sup>15</sup> The Exchange notes that MIAX Chapter XIII is incorporated by reference into the rulebooks of the Exchange's affiliates, MIAX PEARL, LLC ("Pearl") and MIAX Emerald, LLC ("Emerald"). As such, the amendments to MIAX Chapter XIII proposed herein will also apply to MIAX Pearl and MIAX Emerald Chapters XIII.

b. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>16</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>17</sup> requirements that the rules of an exchange be 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 regulating, clearing, settling, processing information with respect to, and 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>18</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

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<sup>15</sup> Id.

<sup>16</sup> 15 U.S.C. 78f(b).

<sup>17</sup> 15 U.S.C. 78f(b)(5).

<sup>18</sup> Id.

In particular, the Exchange believes that, in light of the impact of COVID-19 on the performance of on-site office and location inspections pursuant to Exchange Rule 1308(d), the proposed temporary rule change is intended to provide Members a temporary regulatory option to conduct inspections of offices and locations remotely during the calendar year 2022. The proposed temporary rule change does not relieve Members from meeting their existing core regulatory obligations to establish and maintain a system to supervise the activities of each associate person that is reasonably designed to achieve compliance with applicable securities laws and regulations as well as with applicable Exchange Rules that directly serve investor protection. In a time when faced with ongoing challenges resulting from the COVID-19 pandemic, the Exchange believes that the proposed temporary rule change provides sensibly tailored relief that will afford Members the ability to assess when and how to implement their work re-entry plans as measured against the health and safety of their personnel, while continuing to serve and promote the protection of investors and the public interest.

**4. 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 Exchange does not believe the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed extension of the temporary remote inspection relief rule will apply equally to all Members required to conduct office and location inspections in calendar year 2022 through December 31, 2022. The Exchange further does not believe that the proposed extension to the temporary rule will impose any burden on intermarket competition because it relates only to the extension of the remote manner in which inspections for the calendar year 2022 may be

conducted. Additionally, and as stated above, FINRA has recently submitted a filing to extend its substantively identical temporary remote relief rule for its trading permit holders and members in the same manner.<sup>19</sup>

5. **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.

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 Act<sup>20</sup> and Rule 19b-4(f)(6)<sup>21</sup> 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 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 does not believe that the proposed temporary rule change will significantly affect the protection of investors or the public interest because it does not relieve Members from meeting their existing regulatory obligations to establish and maintain a supervisory system that is reasonably designed to achieve compliance with applicable securities laws and regulations as well as with applicable Exchange Rules, which directly serve investor protection. The proposed

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<sup>19</sup> See supra note 14.

<sup>20</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>21</sup> 17 CFR 240.19b-4(f)(6).

temporary rule change is intended to support investor protection by providing Members a temporary regulatory option to conduct inspections of offices and locations remotely for the calendar year 2022. The proposed temporary rule change is designed to protect investors and the public interest generally by providing appropriately tailored relief that will afford Members the ability to observe the recommendations of public health officials to provide for the health and safety of their personnel, while also satisfying their inspection obligations.

The Exchange does not believe that the proposed temporary rule change will impose any significant burden on competition because the extension for inspections and the remote inspection relief will apply equally to all Members required to conduct office and location inspections in the calendar year 2022. The proposed temporary rule change is not competitive in nature as it relates only to the manner in which inspections for 2022 may be conducted. In addition to this, the Exchange again notes that FINRA has recently submitted filings to adopt a substantively identical temporary inspection relief rule for their members.<sup>22</sup> Accordingly, for the foregoing reasons, the Exchange has filed this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>23</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>24</sup>

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 Act normally does not become operative for 30 days after the date of

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<sup>22</sup> See supra note 14.

<sup>23</sup> 17 CFR 240.19b-4.

<sup>24</sup> 17 CFR 240.19b-4(f)(6).

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.

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**

The proposed rule change is based on the recent change by FINRA.<sup>25</sup>

**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. Text of the proposed rule change.

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<sup>25</sup> See supra note 14.

**EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-MIAX-2022-09)

February \_\_\_\_\_, 2022

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange, LLC to Amend Exchange Rule 1308, Supervision of Accounts

Pursuant to the provisions of 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 February 3, 2022, Miami International Securities Exchange, LLC (“MIAX Options” or the “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 1308, Supervision of Accounts, to extend the temporary remote inspection relief for Members<sup>3</sup> to complete their branch office<sup>4</sup> inspections for the calendar years 2020 and 2021 to include calendar year 2022 through December 31, 2022.

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

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

<sup>3</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>4</sup> A “branch office” is any location where one or more associated persons of a Member regularly conduct the business of effecting any transactions in, or inducing or attempting to induce the purchase or sale of any security, or is held out as such, with such exclusions pursuant to Exchange Rule 1306(c)(1)–(7). See Exchange Rule 1306(c).

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified 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 1308, Supervision of Accounts, to extend the temporary remote inspection relief for Members to complete their branch office inspections for the calendar years 2020 and 2021 to include calendar year 2022 through December 31, 2022.

The COVID-19 pandemic has caused a host of operational disruptions to the securities industry and impacted Members, regulators, investors, and other stakeholders. In response to the pandemic, the Exchange began providing temporary relief to Members from specified Exchange Rules and requirements, including Exchange Rule 1308(d), Annual Branch Office Inspections.

Exchange Rules require Members to conduct branch<sup>5</sup> and non-branch office and location inspections pursuant to certain annual cycles. Specifically, pursuant to Exchange Rule 1308(d),

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<sup>5</sup> The Exchange notes that notwithstanding the exclusions in subparagraphs (c)(1)–(7) of Exchange Rule 1306, any location that is responsible for supervising the activities of

each branch office that supervises one or more non-branch location must be inspected no less often than once each calendar year, unless it qualifies for certain exemptions.<sup>6</sup> Every branch office, without exception, must be inspected at least once every three calendar-years. Members must maintain written reports of such inspections.<sup>7</sup>

In November 2020, the Exchange adopted Exchange Rule 1308(d)(4) and (d)(5), which has expired by its terms, that extended the time by which Members must complete their calendar year 2020 inspection obligations to March 31, 2021, without an on-site visit to the office or location.<sup>8</sup> The Exchange Rule 1308(d)(5) automatically sunset on December 31, 2021, to provide Members the option of satisfying their inspection obligations under Exchange Rule 1308 remotely for calendar years 2020 and 2021, subject to specified conditions,<sup>9</sup> due to the logistical challenges of going on-site while public health and safety concerns related to COVID-19 persisted. The Exchange notes that these temporary rules are substantively identical to the temporary inspection extension and remote relief rules filed by the Financial Industry Regulatory Authority (“FINRA”).<sup>10</sup>

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persons associated with a Member at one or more non-branch locations of such Member is considered to be a branch office. See Exchange Rule 1306(d).

<sup>6</sup> A Member may demonstrate to the satisfaction of the Exchange that because of proximity, special reporting or supervisory practice, other arrangements may satisfy Exchange Rule 1308(d)’s requirements for a particular branch office, or that, based upon the written policies and procedures of such Member providing for a systematic risk-based surveillance system, the Member submits a proposal to the Exchange and receives, in writing, an exemption from the requirement in Exchange 1308(d), pursuant to Exchange Rule 1308(e).

<sup>7</sup> See Exchange Rule 1308(d)(2).

<sup>8</sup> See Securities Exchange Act Release No. 90937 (January 25, 2021), 86 FR 6944 (January 15, 2021) (SR-MIAX-2021-01).

<sup>9</sup> See id.

<sup>10</sup> See Securities and Exchange Act Release Nos. 89188 (June 30, 2020), 85 FR 40713 (July 7, 2020) (SR-FINRA-2020-019); and 90454 (November 18, 2020), 85 FR 75097 (November 24, 2020) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2020-040).

While there are signs of improvement, much uncertainty remains. The emergence of the COVID-19 variants,<sup>11</sup> dissimilar vaccination rates throughout the United States, and the uptick in transmissions in many locations indicate that COVID-19 remains an active and real public health concern.<sup>12</sup> The Exchange understands that Members have delayed their return-to-office plans due to the continued pandemic and are considering implementing or have implemented hybrid work arrangements dependent on functions and regulatory requirements.<sup>13</sup> To that end, in order to address ongoing industry-wide concerns regarding having to conduct in-person office inspections while safety concerns related to the pandemic persist and to align with pandemic-related regulatory relief provided by FINRA, which recently extended their substantively

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<sup>11</sup> See The Centers for Disease Control and Prevention (“CDC”), What You Need to Know About Variants, <https://www.cdc.gov/coronavirus/2019-ncov/variants/variant.html> (stating, in part, that “the Delta variant causes more infections and spreads faster than earlier forms of the virus that causes COVID19”) (updated September 3, 2021). See also CDC, The Possibility of COVID-19 Illness After Vaccination: Breakthrough Infections, <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/effectiveness/why-measure-effectiveness/breakthrough-cases.html> (stating, in part, that “COVID-19 vaccines are effective at preventing infection, serious illness, and death. Most people who get COVID-19 are unvaccinated. However, since vaccines are not 100% effective at preventing infection, some people who are fully vaccinated will still get COVID-19 . . . People who get vaccine breakthrough infections can be contagious”) (updated August 23, 2021).

<sup>12</sup> For example, President Joe Biden on July 29, 2021, announced several measures to increase the number of people vaccinated against COVID-19 and to slow the spread of the Delta variant, including strengthening safety protocols for federal government employees and contractors. See <https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/29/factsheet-president-biden-to-announce-new-actions-to-get-more-americansvaccinated-and-slow-the-spread-of-the-delta-variant>. More recently, President Joe Biden on August 31, 2021, briefed the press on, among other things, the government’s response to the COVID-19 surge, noting the government’s continuing efforts to help states with Delta variant outbreaks. See <https://www.whitehouse.gov/briefing-rom/press-briefings/2021/08/31/pressbriefing-by-white-house-covid-19-response-team-and-public-health-officials-53/>.

<sup>13</sup> The Exchange notes that a majority of its Members are FINRA member firms as well, and that through FINRA’s ongoing monitoring, the Exchange has learned that many of its Members have delayed plans to require a full return to the office and that most continue to operate in a remote or hybrid environment.

identical temporary remote inspection rules,<sup>14</sup> the Exchange proposes to extend Exchange Rule 1308(d)(5) to cover calendar year 2022 inspection obligations through December 31, 2022. The proposed extension would provide clarity to Members on regulatory requirements and account for the time needed for many Members to carefully assess when and how to have their employees safely return to their offices in light of vaccination coverage in the U.S. and transmission levels of the virus, including any emergent variants throughout the country.

By extending Exchange Rule 1308(d)(5) through December 31, 2022, the Exchange does not propose to amend the other conditions of the temporary rule. The proposed amendment to Exchange Rule 1308(d)(5) simply provides that for calendar year 2022, a Member has the option to conduct those inspections remotely through December 31, 2022. The current conditions of Exchange Rule 1308(d)(5) for Members that elect to conduct remote inspections would remain unchanged. Such Members must amend or supplement their written supervisory procedures for remote inspections, use remote inspections as part of an effective supervisory system, and maintain the required documentation. The additional period of time would also enable the Exchange to further monitor the effectiveness of remote inspections and their impacts—positive or negative—on Members' overall supervisory systems in the evolving workplace.

Notwithstanding the proposed temporary rule change, a Member remains subject to the other requirements of Exchange Rule 1308(d).

The Exchange continues to believe this temporary remote inspection option is a reasonable alternative to provide to Members to fulfill their Exchange Rule 1308(d) obligations during the pandemic and is designed to achieve the investor protection objectives of the

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<sup>14</sup> See Securities and Exchange Act Release Nos. 93002 (September 15, 2021), 86 FR 52508 (September 21, 2021) (SR-FINRA-2021-023); and 94018 (January 20, 2022), 87 FR 4072 (January 26, 2022) (SR-FINRA-2022-001).

inspection requirements under these unique circumstances. Members should consider whether, under their particular operating conditions, reliance on remote inspections would be reasonable under the circumstances. For example, Members with offices that are open to the public or that are otherwise doing business as usual should consider whether some form of in-person inspections would be feasible and appropriately contribute to a supervisory system that is reasonably designed to achieve compliance with applicable securities laws and regulations as well as with applicable Exchange Rules.

The Exchange notes that the proposed rule change is substantively identical to the proposed rule changes recently filed by FINRA.<sup>15</sup> The Exchange notes that MIAX Chapter XIII is incorporated by reference into the rulebooks of the Exchange's affiliates, MIAX PEARL, LLC ("Pearl") and MIAX Emerald, LLC ("Emerald"). As such, the amendments to MIAX Chapter XIII proposed herein will also apply to MIAX Pearl and MIAX Emerald Chapters XIII.

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>16</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>17</sup> requirements that the rules of an exchange be 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national

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<sup>15</sup> Id.

<sup>16</sup> 15 U.S.C. 78f(b).

<sup>17</sup> 15 U.S.C. 78f(b)(5).

market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>18</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that, in light of the impact of COVID-19 on the performance of on-site office and location inspections pursuant to Exchange Rule 1308(d), the proposed temporary rule change is intended to provide Members a temporary regulatory option to conduct inspections of offices and locations remotely during the calendar year 2022. The proposed temporary rule change does not relieve Members from meeting their existing core regulatory obligations to establish and maintain a system to supervise the activities of each associate person that is reasonably designed to achieve compliance with applicable securities laws and regulations as well as with applicable Exchange Rules that directly serve investor protection. In a time when faced with ongoing challenges resulting from the COVID-19 pandemic, the Exchange believes that the proposed temporary rule change provides sensibly tailored relief that will afford Members the ability to assess when and how to implement their work re-entry plans as measured against the health and safety of their personnel, while continuing to serve and promote the protection of investors and the public interest.

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 Exchange does not believe the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because

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<sup>18</sup>

Id.

the proposed extension of the temporary remote inspection relief rule will apply equally to all Members required to conduct office and location inspections in calendar year 2022 through December 31, 2022. The Exchange further does not believe that the proposed extension to the temporary rule will impose any burden on intermarket competition because it relates only to the extension of the remote manner in which inspections for the calendar year 2022 may be conducted. Additionally, and as stated above, FINRA has recently submitted a filing to extend its substantively identical temporary remote relief rule for its trading permit holders and members in the same manner.<sup>19</sup>

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>20</sup> and Rule 19b-4(f)(6)<sup>21</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

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<sup>19</sup> See supra note 14.

<sup>20</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>21</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.

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-2022-09 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-MIAX-2022-09. 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-2022-09 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>22</sup>

Vanessa Countryman  
Secretary

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<sup>22</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

New text is underlined;

Deleted text is in [brackets]

**MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC Rules**

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**Rule 1308. Supervision of Accounts**

(a) – (c) No Change.

(d) **Annual Branch Office Inspections.**

(1) – (4) No change.

(5) Each Member obligated to conduct an inspection of a branch office or non-branch location in calendar years 2020, [and calendar year ]2021, and 2022 pursuant to Rule 1308(d), as applicable, may, subject to the requirements of Rule 1308(d)(5), satisfy such obligation by conducting the applicable inspection remotely, without an on-site visit to the office or location. In accordance with Rule 1308(d)(4), inspections for calendar year 2020 must be completed on or before March 31, 2021. Inspections for calendar year 2021 must be completed on or before December 31, 2021. With respect to a Member's obligation to conduct an inspection of an office or location in calendar year 2022, a Member has the option to conduct those inspections remotely through December 31, 2022. Notwithstanding Rule 1308(d)(5), a Member remains subject to the other requirements of Rule 1308(d).

(i) *Written Supervisory Procedures for Remote Inspections.* Consistent with a Member's obligations under Rule 1308(d), a Member that elects to conduct [each of ]its [calendar year 2020 or calendar year 2021 ]branch office inspections remotely for any of the calendar years specified in this subparagraph (d)(5) must amend or supplement its written supervisory procedures to provide for remote inspections that are reasonably designed to assist in detecting and preventing violations of and achieving compliance with applicable securities laws and regulations, and with applicable Exchange Rules. Reasonably designed procedures for conducting remote inspections of offices or locations should include, among other things: (i) a description of the methodology, including technologies permitted by the branch office, that may be used to conduct remote inspections; and (ii) the use of other risk-based systems employed generally by the branch office to identify and prioritize for review those areas that pose the greatest risk of potential violations of applicable securities laws and regulations, and of applicable Exchange Rules.

(ii) *Effective Supervisory System.* The requirement to conduct inspections of offices and locations is one part of a Member's overall obligation to have an effective supervisory system and therefore, a Member must continue with its ongoing review of the activities and functions occurring at all offices and locations, whether or not the Member conducts inspections remotely. A Member's use of a remote inspection of an office or location will be held to the same

standards for review as set forth under Rule 1308(d). Where a Member's remote inspection of an office or location identifies any indicators of irregularities or misconduct (i.e., "red flags"), the Member may need to impose additional supervisory procedures for that office or location or may need to provide for more frequent monitoring or oversight of that office or location, including potentially a subsequent physical, on-site visit on an announced or unannounced basis when the branch office's operational difficulties associated with COVID-19 abate, nationally or locally as relevant, and the challenges a branch office is facing in light of the public health and safety concerns make such on-site visits feasible using reasonable best efforts. The temporary relief provided by Rule 1308(d)(5) does not extend to a Member's inspection requirements beyond [calendar year 2021]December 31, 2022 and such inspections must be conducted in compliance with Rule 1308(d)(1) through (3).

(iii) *Documentation Requirement.* A Member must maintain and preserve a centralized record for each of calendar years 2020[ and calendar year ], 2021, and 2022 that separately identifies: (1) all offices or locations that had inspections that were conducted remotely; and (2) any offices or locations for which the Member determined to impose additional supervisory procedures or more frequent monitoring, as provided in Rule 1308(d)(5). A Member's documentation of the results of a remote inspection for an office or location must identify any additional supervisory procedures or more frequent monitoring for that office or location that were imposed as a result of the remote inspection.

(e) – (k) No change.

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