

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-74118; File No. SR-MIAX-2015-03)

January 22, 2015

Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, to Adopt Rule 519A Risk Protection Monitor

Pursuant to 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 January 8, 2015, Miami International Securities Exchange LLC (“MIAX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. On January 20, 2105, the Exchange filed Amendment No.1 to the proposal.³ 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 proposes to adopt new risk protections for orders.

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.

³ In Amendment No. 1, the Exchange proposed changes to the Form 19b-4, Exhibit 1, and Exhibit 5 to clarify that once triggered, the Risk Protection Monitor described therein will apply to orders in all series in all classes of options from the Exchange Member.

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 adopt Rule 519A, Risk Protection Monitor, to provide new risk protections for orders entered by Members on the Exchange. The proposed functionality is similar to the existing Aggregate Risk Protections available to Market Makers that provide risk protections for Market Maker quotations, however it will apply to orders entered by Members.⁴ The Exchange also proposes to codify existing functionality regarding the Aggregate Risk Manager to provide additional transparency in the Rule to Members regarding the current functionality.

The Exchange proposes that the MIAX System will maintain a counting program (“counting program”) for each participating Member that will count the number of orders entered and the number of contracts traded via an order entered by a Member on the Exchange within a specified time period that has been established by the Member (the “specified time period”). The maximum duration of the specified time period will be established by the Exchange and

⁴ See Rule 612. The proposed Risk Protection Monitor is similar in that it is based on a counting program that triggers a risk protection if a certain predetermined threshold is reached.

announced via a Regulatory Circular. Members may establish an Allowable Order Rate⁵ and/or an Allowable Contract Execution Rate⁶. When a Member's order is entered or when an execution of a Member's order occurs, the System will look back over the specified time period to determine whether the order entered or the execution that occurred triggers the Risk Protection Monitor.⁷ Members may establish whether the Risk Protection Monitor, when triggered, will (i) prevent the System from receiving any new orders in all series in all classes from the Member; or (ii) prevent the System from receiving any new orders in all series in all classes from the Member and cancel all existing Day orders in all series in all classes from the Member; or (iii) send a notification that the Risk Protection Monitor has been triggered without any further preventative or cancellation action by the System.⁸

The System will trigger the Risk Protection Monitor when the counting program has determined either (i) that a Member has entered during the specified time period a number of orders exceeding their Allowable Order Rate, or (ii) that a Member has executed during the specified time period a number of contracts exceeding their Allowable Contract Execution Rate.⁹

⁵ The Allowable Order Rate is the number of orders entered during the specific time period that has been established by the Member.

⁶ The Allowable Contract Execution Rate is the number of contracts executed during the specific time period that has been established by the Member.

⁷ The Exchange notes that the specific time period does not need to be the same for both the Allowable Order Rate and Allowable Contract Execution Rate (i.e., there can be one specific time period for Allowable Order Rate and a different specific time period for Allowable Contract Execution Rate).

⁸ See Proposed Rule 519A(a). As discussed below, the Risk Protection Monitor will not cancel any existing GTC orders. GTC Orders will remain in the System available for trading when the Risk Protection Monitor is engaged. See Proposed Rule 519A, Interpretations and Policies .02.

⁹ The Exchange does not believe that establishing a minimum or maximum Allowable Order Rate or Allowable Contract Execution Rate is necessary at this time. The Exchange notes that use of the Risk Protection Monitor is optional and not mandatory. If, after some time of gaining experience with the Risk Protection Monitor, the Exchange

Once engaged, the Risk Protection Monitor will then automatically either prevent the System from receiving any new orders in all series in all classes from the Member, and cancel all existing Day orders in all series in all classes from the Member (if designated by the Member's instructions), or send a notification without any further preventative or cancellation action by the System. When engaged, the Risk Protection Monitor will still allow the Member to interact with existing orders entered prior to exceeding the Allowable Order Rate or the Allowable Contract Execution Rate, including sending cancel order messages and receiving trade executions from those orders. The Risk Protection Monitor shall remain engaged until the Member communicates with the Help Desk to enable the acceptance of new orders.¹⁰

The following examples show how the proposed Risk Protection Monitor would operate.

Example 1.

BD1 designates the following settings:

1. Allowable Order Rate = 500 orders/ per 2 second. Reject new orders.
2. Allowable Contract Execution Rate = 1000 contracts/ per 2 seconds. Reject new orders and cancel day orders.

Time	Event	Count Total
@100 milliseconds	BD1 enters 10 orders	10 orders
@110 milliseconds	50 contracts execute	50 contracts
@200 milliseconds	BD1 enters 10 orders	20 orders
@225 milliseconds	355 contracts execute	405 contracts
@250 milliseconds	45 contracts execute	450 contracts
@350 milliseconds	150 contracts execute	600 contracts
@500 milliseconds	BD1 enters 10 orders	30 orders
@1000 milliseconds	BD1 enters 200 orders	230 orders
@1500 milliseconds	BD1 enters 200 orders	430 orders

sees a need for either minimums or maximums in the interest of maintaining fair and orderly markets, the Exchange will submit a subsequent 19b-4 rule filing as necessary.

¹⁰ See Proposed Rule 519A(b). The communication from the Member to the Help Desk can either be via email or phone.

@1700 milliseconds	BD1 enters 50 orders	480 orders
@2000 milliseconds	BD1 enters 50 orders	530 orders

- 530 orders over 2 seconds exceeds the Allowable Order Rate – triggers the RPM
- Once engaged, the System will reject new orders from BD1 until BD1 contacts the Help Desk to request re-enabling the acceptance of new orders from BD1.
- Orders on the book, may continue to trade.

@2200 milliseconds	300 contracts execute	850 contracts
@2500 milliseconds	500 contracts execute	800 contracts
@3000 milliseconds	300 contracts execute	1100 contracts

- 1100 contract executions over 2 seconds exceeds the Allowable Contract Execution Rate – triggers RPM
- Once engaged, the System will then reject new orders and cancel day orders from BD1 until BD1 contacts the Help Desk to request re-enabling the acceptance of new orders for BD1.

Example 2.

BD1 designates the following settings:

1. Allowable Order Rate = 500 orders/ per 2 second. Reject new orders.
2. Allowable Contract Execution Rate = 6,000 contracts/ per 2 seconds. Reject new orders and cancel day orders.

Time	Event	Count Total
@100 milliseconds	BD1 enters 10 orders	10 orders
@110 milliseconds	5050 contracts execute	5050 contracts
@200 milliseconds	BD1 enters 10 orders	20 orders
@225 milliseconds	355 contracts execute	5405 contracts
@250 milliseconds	45 contracts execute	5450 contracts
@350 milliseconds	150 contracts execute	5600 contracts
@500 milliseconds	BD1 enters 10 orders	30 orders
@1000 milliseconds	BD1 enters 200 orders	230 orders
@1500 milliseconds	BD1 enters 200 orders	430 orders

@1700 milliseconds	BD1 enters 50 orders	480 orders
@2000 milliseconds	BD1 enters 50 orders	530 orders

- 530 orders over 2 seconds exceeds the Allowable Order Rate – triggers the RPM
- Once engaged, the System will reject new orders from BD1 until BD1 contacts the Help Desk to request re-enabling the acceptance of new orders from BD1.
- Orders on the book, may continue to trade.

@2200 milliseconds	300 contracts execute	850 contracts
@2500 milliseconds	500 contracts execute	800 contracts
@3000 milliseconds	5300 contracts execute	6100 contracts

- 6100 contract executions over 2 seconds exceeds the Allowable Contract Execution Rate – triggers RPM
- Once engaged, the System will then reject new orders and cancel day orders from BD1 until BD1 contacts the Help Desk to request re-enabling the acceptance of new orders for BD1.

In Examples 1 and 2, the Exchange notes that contracts continued to execute even though the Risk Protection Monitor was triggered because the orders received during the specified time period exceeded the Allowable Order Rate. If BD1 wishes to mitigate the risk of additional executions after the Risk Protection Monitor is triggered in scenarios like Examples 1 or 2, BD1 could designate that the Risk Protection Monitor prevent the System from receiving any new orders in all series in all classes from the Member and cancel all existing Day orders in all series in all classes from the Member if the orders entered equal or exceed the Allowable Order Rate.

Example 3.

BD1 designates the following settings:

1. Allowable Order Rate = 500 orders/ per 2 second. Reject new orders.

2. Allowable Contract Execution Rate = 1000 contracts/ per 2 seconds. Reject new orders and cancel day orders.

Time	Event	Count Total
@100 milliseconds	BD1 enters 10 orders	10 orders
@110 milliseconds	50 contracts execute	50 contracts
@200 milliseconds	BD1 enters 10 orders	20 orders
@225 milliseconds	355 contracts execute	405 contracts
@250 milliseconds	45 contracts execute	450 contracts
@350 milliseconds	150 contracts execute	600 contracts
@500 milliseconds	BD1 enters 10 orders	30 orders
@1000 milliseconds	BD1 enters 200 orders	230 orders
@1500 milliseconds	BD1 enters 200 orders	430 orders
@1700 milliseconds	BD1 enters 50 orders	480 orders
@2200 milliseconds	BD1 enters 10 orders	480 orders
@2200 milliseconds	300 contracts execute	850 contracts
@2500 milliseconds	500 contracts execute	800 contracts
@3050 milliseconds	BD1 enters 150 orders	410 orders
@3060 milliseconds	300 contracts execute	1100 contracts

- 1100 contract executions over 2 seconds exceeds the Allowable Contract Execution Rate – triggers RPM
- Once engaged, the System will then reject new orders and cancel day orders from BD1 until BD1 contacts the Help Desk to request re-enabling the acceptance of new orders for BD1.

The Exchange also proposes Interpretation and Policy .01 to provide that Members may elect to group with other Members to enable the Risk Protection Monitor to apply collectively to the group.¹¹ The Members in the group must designate a group owner. Specifically, Members may elect to group with other Members to enable the Risk Protection Monitor to apply collectively to the group, provided that either: (i) there is at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A; or (ii) there is written

¹¹ See Proposed Rule 519A, Interpretations and Policies .01.

authorization signed by all Members in the group and the group owner maintains exclusive control of all orders sent to the Exchange from each MPID within the group.¹² A Member may also elect to group with the Member's clearing firm.¹³ A clearing firm may also elect to group several Members to enable the Risk Protection Monitor to apply collectively to the group with the clearing firm designated as the group owner, provided that the clearing firm serves as the clearing firm for all the MPIDs of the group and there is written authorization signed by the clearing firm and each Member of the group. A clearing firm that has grouped several Members may only receive warning messages pursuant to Interpretation and Policy .03 of this Rule, unless one Member of the group maintains exclusive control of all orders routed through all MPIDs within the group.¹⁴

The Exchange believes that the threshold of at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A, is reasonable and appropriate for determining adequate affiliation between two or more Member firms. The Exchange notes that this threshold level has been widely adopted by options exchanges in the context of aggregated trading volume of affiliated firms for volume based fee/rebate programs.¹⁵ The written authorization and exclusive control requirement helps ensure that the Risk Protection Monitor does not apply to Members in a group or orders without adequate permission in the manner that is designed to prevent fraudulent and manipulative acts and practices, and to foster cooperation and coordination with persons engaged in facilitating transaction in securities.

¹² See Proposed Rule 519A, Interpretations and Policies .01(a).

¹³ See Proposed Rule 519A, Interpretations and Policies .01(b).

¹⁴ See id.

¹⁵ See e.g., MIAX Options Fee Schedule, Sections 1)a)i), 1)a)iii); CBOE Fees Schedule, p. 3 (Volume Incentive Program), p. 13 (Liquidity Provider Sliding Scale), p. 13 [sic] (Clearing Trading Permit Holder Fee Cap); NASDAQ Options Market, Chapter XV, Section 2(1).

The Risk Protection Monitor for groups will operate in the same manner as described in paragraphs (a) and (b) of Proposed Rule 519A, except that: (i) the counting program will count the number of orders entered and the number of contracts traded resulting from an order entered by all MPIDs in the group collectively; (ii) the System will trigger the Risk Protection Monitor when the group collectively exceeds either the Allowable Order Rate or Allowable Contract Execution Rate for the group; (iii) once engaged, the Risk Protection Monitor will then either automatically prevent the System from receiving any new orders in all series in all classes from each MPID in the group, and, if designated by the group owner's instructions, cancel all existing Day orders in all series in all classes from the group, or send a notification without any further preventative or cancellation action by the System; and (iv) only the designated group owner may request through the Help Desk to enable the acceptance of new orders for all the Members of the group.¹⁶

The following examples show how the proposed Risk Protection Monitor would operate for groups.

Example 4.

BD1, BD2, BD3 elect to group with each other, with BD1 as the group owner. BD1, BD2, BD3 designate the following settings:

1. Allowable Order Rate = 500 orders/ per 2 second. Reject new orders.
2. Allowable Contract Execution Rate = 1000 contracts/ per 2 seconds. Reject new orders and cancel day orders.

Time	Event	Count Total
@100 milliseconds	BD1 enters 10 orders	10 orders
@110 milliseconds	50 contracts execute	50 contracts
@200 milliseconds	BD2 enters 10 orders	20 orders

¹⁶ See Proposed Rule 519A, Interpretations and Policies .01(c).

@225 milliseconds	355 contracts execute for BD1	405 contracts
@250 milliseconds	45 contracts execute for BD2	450 contracts
@350 milliseconds	150 contracts execute for BD1	600 contracts
@500 milliseconds	BD3 enters 10 orders	30 orders
@1000 milliseconds	BD1 enters 200 orders	230 orders
@1500 milliseconds	BD2 enters 200 orders	430 orders
@1700 milliseconds	BD3 enters 50 orders	480 orders
@2000 milliseconds	BD3 enters 50 orders	530 orders

- 530 orders over 2 seconds exceeds the Allowable Order Rate for the group – triggers the RPM
- Once engaged, the System will reject new orders from BD1, BD2, BD3 until BD1 contacts the Help Desk to request re-enabling the acceptance of new orders from BD1, BD2, BD3.
- Orders on the book, may continue to trade.

@2200 milliseconds	300 contracts execute for BD3	850 contracts
@2500 milliseconds	500 contracts execute for BD2	800 contracts
@3000 milliseconds	300 contracts execute for BD1	1100 contracts

- 1100 contract executions over 2 seconds exceeds the Allowable Contract Execution Rate for the group – triggers RPM
- Once engaged, the System will then reject new orders and cancel day orders from BD1, BD2, BD3 until BD1 contacts the Help Desk to request re-enabling the acceptance of new orders for BD1, BD2, BD3.

Example 5.

BD1 elects to group with their clearing firm CC1, with CC1 as the group owner. BD1, CC1 designate the following settings:

1. Allowable Order Rate = 500 orders/ per 2 second. Reject new orders.
2. Allowable Contract Execution Rate = 1000 contracts/ per 2 seconds. Reject new orders and cancel day orders.

Time	Event	Count Total
@100 milliseconds	BD1 enters 10 orders	10 orders
@110 milliseconds	50 contracts execute	50 contracts
@200 milliseconds	BD1 enters 10 orders	20 orders
@225 milliseconds	355 contracts execute	405 contracts
@250 milliseconds	45 contracts execute	450 contracts
@350 milliseconds	150 contracts execute	600 contracts
@500 milliseconds	BD1 enters 10 orders	30 orders
@1000 milliseconds	BD1 enters 200 orders	230 orders
@1500 milliseconds	BD1 enters 200 orders	430 orders
@1700 milliseconds	BD1 enters 50 orders	480 orders
@2200 milliseconds	BD1 enters 10 orders	480 orders
@2200 milliseconds	300 contracts execute	850 contracts
@2500 milliseconds	500 contracts execute	800 contracts
@3050 milliseconds	BD1 enters 150 orders	410 orders
@3060 milliseconds	300 contracts execute	1100 contracts

- 1100 contract executions over 2 seconds exceeds the Allowable Contract Execution Rate – triggers RPM
- Once engaged, the System will then reject new orders and cancel day orders from BD1 until CC1 contacts the Help Desk to request re-enabling the acceptance of new orders from BD1.

The Exchange believes that the ability for affiliated Members to collectively monitor and manage their risk from excessive order or execution rates that may be caused by a system error or market event, will provide a valuable risk management tool for such Members that have shared order exposure and execution risk across affiliated entities. The Exchange believes that allowing Members to group with their clearing firm will help both Members and clearing firms monitor and manage order exposure and execution risk that may be caused from a system or other error or market event in a manner that removes impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, protects investors and the public interest.

The Exchange proposes Interpretation and Policy .02 to provide that PRIME Orders, PRIME Solicitation Orders¹⁷ and GTC Orders do not participate in the Risk Protection Monitor. However, the System does include such PRIME Orders, PRIME Solicitation Orders and GTC Orders in the counting program for purposes of this Rule. PRIME Orders, PRIME Solicitation Orders and Customer-to-Customer Orders will each be counted as two orders for the purpose of calculating the Allowable Order Rate. Once engaged, the Risk Protection Monitor will not cancel any existing PRIME Orders, PRIME Solicitation Orders, AOC orders, OPG orders, or GTC orders. PRIME Orders, PRIME Solicitation Orders and GTC Orders will remain in the System available for trading when the Risk Protection Monitor is engaged.¹⁸ The Exchange believes the proposed treatment of PRIME Orders, PRIME Solicitation Orders, AOC orders, OPG orders, and GTC Orders is an equitable approach to handling the unique characteristics of these order types within the Risk Protection Monitor mechanism. Separately, the Exchange believes the proposed treatment of paired orders in the form of PRIME Orders and PRIME Solicitation Orders processed pursuant to Rule 515A versus standard Agency Orders processed pursuant to Rule 515, is an equitable approach to handling the unique characteristics of PRIME Orders and PRIME Solicitation Orders within the Risk Protection Monitor mechanism. The Exchange notes that PRIME Orders submitted pursuant to Rule 515A by operation of the “stop” have been guaranteed an execution at the time of acceptance into the System; therefore, the Exchange does not believe that such orders should be cancelled when the Risk Protection Monitor is engaged, since the execution effectively already happened. In contrast, standard Agency Orders that a Member is representing as a principal are processed according to Rule 515

¹⁷ The terms “PRIME Order” and “PRIME Solicitation Order” refer to a two-sided paired order that consists of both an Agency Order and a Contra-side Order that is submitted to the Exchange pursuant to Rule 515A.

¹⁸ See Proposed Rule 519A, Interpretations and Policies .02.

in the same manner as other incoming orders and are not been guaranteed an execution at the time of acceptance in the System, thus the Exchange believes that standard Agency Orders should be treated the same as other orders and be subject to the protections of the Risk Protection Monitor.

The Exchange proposes Interpretation and Policy .03 to provide that Members may elect to receive warning notifications indicating that a specific percentage of an Allowable Order Rate or an Allowable Contract Execution Rate has been met.¹⁹

The Exchange proposes Interpretation and Policy .04 to provide that at the request of a Member or in order to maintain a fair and orderly market the Help Desk may pause and restart the specified time period used by the counting program or clear and reset any calculated Allowable Order Rate or Allowable Contract Execution Rate.²⁰

The Exchange also proposes to amend Rule 612 to codify existing functionality regarding the Aggregate Risk Manager to provide additional transparency in the Rule to Members regarding the current functionality. Currently, the Rule provides that after the System engages the Aggregate Risk Manager, that the Aggregate Risk Manager will automatically remove the Market Maker's quotations from the Exchange's disseminated quotation in all series of that particular option class until the Market Maker submits a new revised quotation. However, submitting a new revised quotation alone is not currently enough in this situation. The Market Maker must also send a notification to the System of the intent to reengage quoting. The Exchange proposes to amend the Rule to codify this additional requirement, of sending a notification to the System of the intent to reengage quoting, in order to eliminate potential confusion on behalf of Market Makers. In addition, the Exchange proposes to adopt a new

¹⁹ See Proposed Rule 519A, Interpretations and Policies .03.

²⁰ See Proposed Rule 519A, Interpretations and Policies .04.

Interpretation and Policy .01 to Rule 612 to codify existing functionality regarding the Aggregate Risk Manager to provide additional transparency in the Rule to Members regarding the current functionality. The Exchange proposes to specify that eQuotes do not participate in the Aggregate Risk Manager. An eQuote is a quote with a specific time in force that does not automatically cancel and replace a previous Standard quote or eQuote. An eQuote can be cancelled by the Market Maker at any time, or can be replaced by another eQuote that contains specific instructions to cancel an existing eQuote.²¹ The System does not include contracts traded through the use of an eQuote in the counting program for purposes of this Rule. eQuotes will remain in the System available for trading when the Aggregate Risk Manager is engaged.²² The proposed changes to the Aggregate Risk Manager are designed to protect investors and the public interest by codifying the protections that apply to quotation orders that help Market Makers avoid quotation activity that exceeds their established risk thresholds on the Exchange. In addition, the Exchange believes that the proposed amendment removes impediments to and perfects the mechanisms of a free and open market and a national market system and, in general, protects investors and the public interest by helping to eliminate potential confusion on behalf of Market Makers by clearly stating the System's functionality with regard to quotations that trigger the Aggregate Risk Manager protections.

2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act²³ in general, and furthers the objectives of Section 6(b)(5) of the Act²⁴ in particular, in that it is

²¹ See Rule 517(a)(2).

²² See Proposed Rule 612, Interpretations and Policies .01.

²³ 15 U.S.C. 78f(b).

²⁴ 15 U.S.C. 78f(b)(5).

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 that Members will benefit from the proposed new Risk Protection Monitor. Members are vulnerable to the risk from system or other error or a market event, that may cause them to send a large number of orders or receive multiple, automatic executions before they can adjust their order exposure in the market. Without adequate risk management tools, such as the Risk Protection Monitor, Members could reduce the amount of order flow and liquidity that they provide to the market. Such actions may undermine the quality of the markets available to customers and other market participants. Accordingly, the proposed Risk Protection Monitor is designed to encourage Members to submit additional order flow and liquidity to the Exchange, thereby removing impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, protecting investors and the public interest. In addition, providing Members with more tools for managing risk will facilitate transactions in securities because, as noted above, the Members will have more confidence that protections are in place that reduce the risks from potential system errors and market events. As a result, the new functionality has the potential to promote just and equitable principles of trade.

The written authorization and exclusive control requirement helps ensure that the Risk Protection Monitor does not apply to Members in a group or orders without adequate permission in the manner that is designed to prevent fraudulent and manipulative acts and practices, and to foster cooperation and coordination with persons engaged in facilitating transaction in securities.

The Exchange believes the proposed treatment of PRIME Orders, PRIME Solicitation Orders, AOC orders, OPG orders, and GTC Orders is an equitable approach to handling the unique characteristics of these order types within the Risk Protection Monitor mechanism. Further, the Exchange believes the proposed treatment of paired orders in the form of PRIME Orders and PRIME Solicitation Orders processed pursuant to Rule 515A versus standard Agency Orders processed pursuant to Rule 515, is an equitable approach to handling the unique characteristics of Agency Orders within the Risk Protection Monitor mechanism.

The proposed changes to the Aggregate Risk Manager are designed to protect investors and the public interest by codifying the protections that apply to quotations that help Market Makers avoid executions from quotation activity that exceeds their established risk thresholds on the Exchange. In addition, the Exchange believes that the proposed amendment removes impediments to and perfects the mechanisms of a free and open market and a national market system and, in general, protects investors and the public interest by helping to eliminate potential confusion on behalf of Market Makers by clearly stating the System's functionality with regard to quotations that trigger the Aggregate Risk Manager protections.

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. Rather, the Exchange believes that the new Risk Protection Monitor help promote fair and order markets. The Exchange believes the proposed changes will not impose any burden on intra-market competition because the use of the Risk Protection Monitor is voluntary and is available to all Members. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues who offer similar functionality.

As to inter-market competition, the Exchange believes that the proposed risk protections should promote competition for such functionality that is designed to protect market participants from system errors or market events that may cause them to send a large number of orders or receive multiple, automatic executions before they can adjust their order exposure in the market.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- (a) by order approve or disapprove such proposed rule change, or
- (b) institute proceedings to determine whether the proposed rule change should be 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, as modified by Amendment No. 1, 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-2015-03 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-2015-03. 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 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 such filing also will be available for inspection and copying at the principal offices 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-2015-03, 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.²⁵

Brent J. Fields
Secretary

²⁵ 17 CFR 200.30-3(a)(12).