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VIA ELECTRONIC SUBMISSION

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: **File Nos. SR-MIAX-2014-30; SR-MIAX-2014-39**

Dear Ms. Murphy:

Miami International Securities Exchange, LLC (“MIAX” or “Exchange”), appreciates the opportunity to submit this comment letter to the Securities and Exchange Commission (“Commission”) regarding our recent filings SR-MIAX-2014-30 and SR-MIAX-2014-39 (collectively, the “Proposals”).¹ MIAX respectfully requests that the Commission take action to approve the Proposals. MIAX believes that the Proposals are consistent with the requirements of the Securities Exchange Act of 1934 (the “Act”) and that the Commission should ultimately approve the filings. As described below, MIAX believes that the Proposals are consistent with the requirements of Sections 6(b)(5), and 6(b)(8) of the Act.²

¹ See Securities Exchange Act Release Nos. 72492 (June 27, 2014), 79 FR 38099 (July 3, 2014) (SR-MIAX-2014-30) (Notice of Filing); 72777 (August 6, 2014), 79 FR 47165 (August 12, 2014) (SR-MIAX-2014-39) (Notice of Filing). See also Securities Exchange Act Release Nos. 72835 (August 13, 2014), 79 FR 49140 (August 19, 2014) (SR-MIAX-2014-30) (Notice of Designation of Longer Period for Commission Action); 73211 (September 25, 2014), 79 FR 59338 (October 1, 2014) (SR-MIAX-2014-30) (Order Instituting Proceedings to Determine Whether to Approve or Disapprove); 73212 (September 25, 2014), 79 FR 59332 (October 1, 2014) (SR-MIAX-2014-39) (Order Instituting Proceedings to Determine Whether to Approve or Disapprove).

² 15 U.S.C. 78f(b)(5), (8).

MIAX wants to thank the Commission for taking the time to notice for comment the Proposals; although MIAX respectfully notes that SR-MIAX-2014-48³ has not enjoyed the similar benefit. The Exchange notes that at the time of submission of this comment letter, no other comments had been submitted regarding the Proposals.

MIAX Proposals

The Proposals, if approved by the Commission, would allow the Exchange to list for trading options on the shares of the iShares MSCI Brazil Capped ETF (“EWZ”), iShares MSCI Chile Capped ETF (“ECH”), iShares MSCI Peru Capped ETF (“EPU”), iShares MSCI Spain Capped ETF (“EWP”), Market Vectors Brazil Small-Cap ETF (“BRF”), Market Vectors Indonesia Index ETF (“IDF”), Market Vectors Poland ETF (“PLND”), and Market Vectors Russia ETF (“RSX”) (collectively, the “ETFs”). The Proposals are competitive filings in that the filings would enable MIAX to list and trade these options on products that are currently trading on competing options exchanges.⁴

MIAX Listing Standards permit the Exchange to list options on the shares of open-end investment companies, such as the ETFs, without having to file for approval with the Commission.⁵ Each of the ETFs substantially meet all of the initial listing requirements except for the requirement concerning the existence of a comprehensive surveillance sharing agreement (“CSSA”). The Exchange has reached out to each one of the regulators in the respective markets and to date has been unable to put in place a surveillance agreement because the foreign exchange is unable, or unwilling, to provide an information sharing agreement with the Exchange.

Thankfully, the Commission had the foresight several years ago to provide a solution to this problem. The Commission noted in the New Product Release⁶ that if securing a CSSA is not

³ In SR-MIAX-2014-48, the Exchange proposes to amend MIAX Rule 402 to include generic listing standards for options on ETFs based on international or global indexes. See SR-MIAX-2014-48 (available at www.miaxoptions.com). The Exchange notes that the proposed listing standards in SR-MIAX-2014-48 are nearly identical to the listing standards for ETFs based on international or global indexes on equities exchanges and if approved would enable MIAX to list options on all the ETFs referenced herein in a manner consistent with the underlying ETFs on equities exchanges. See e.g., Securities Exchange Act Release Nos. 54739 (November 9, 2006), 71 FR 66993 (SR-Amex-2006-78); 55269 (February 9, 2007), 72 FR 7490 (February 15, 2007) (SR-NASDAQ-2006-050); 55621 (April 12, 2007), 72 FR 19571 (April 18, 2007) (SR-NYSEArca-2006-86).

⁴ The Exchange notes that all of the proposed ETFs are currently listed on at least one other options exchange with the exception of IDX and PLND.

⁵ MIAX Rule 402(i) provides the Listing Standards for shares or other securities (“Exchange-Traded Fund Shares”) that are traded on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS.

⁶ See Securities Exchange Act Release No. 40761 (December 8, 1998), 63 FR 70952, 70959 at fn. 101 (December 22, 1998).

possible, an exchange should contact the Commission prior to listing a new derivative securities product. The Commission also noted that the Commission may determine instead that it is appropriate to rely on a memorandum of understanding (“MOU”) between the Commission and the foreign regulator. The Commission has been willing to allow a national securities exchange to rely on an MOU entered into between regulators in the event that the exchanges themselves cannot enter into a CSSA. The practice of relying on surveillance agreements or MOUs between regulators when a foreign exchange was unable, or unwilling, to provide an information sharing agreement has been used periodically by exchanges ever since then.

For example, the Commission approved the Philadelphia Stock Exchange, Inc. (“PHLX”) to rely on an MOU between the Commission and the Comissao de Valores Mobiliarios instead of a direct CSSA with BM&FBOVESPA in order to list and trade options on Telebras Portoflio Certicate American Depository Receipts.⁷ Additionally, the Commission approved, on a pilot basis, proposals of competing exchanges to list and trade options on the iShares MSCI Emerging Markets Fund⁸ and the iShares MSCI Mexico Index Fund.⁹ Most recently, in SR-MIAX-2014-19, the Commission allowed MIAX to list options on the iShares MSCI Mexico Index Fund (“EWW”) pursuant to Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(6)¹¹ thereunder by allowing MIAX to list options on EWW relying on the Commission’s MOU with a foreign regulator on the basis that it: (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 further notes that the Commission waived the 30 day operative delay because the Commission found SR-MIAX-2014-19 was “consistent with with the protection of investors and the public interest.” The Commission in its justification for allowing the filing to be immediately

⁷ See Securities Exchange Act Release No. 40298 (August 3, 1998), 63 FR 43435 (August 13, 1998) (SR-Phlx-1998-33).

⁸ See Securities Exchange Act Release Nos. 53824 (May 17, 2006), 71 FR 30003 (May 24, 2006) (SR-Amex-2006-43); 54081 (June 30, 2006), 71 FR 38911 (July 10, 2006) (SR-Amex-2006-60); 54553 (September 29, 2006), 71 FR 59561 (October 10, 2006) (SR-Amex-2006-91); 55040 (January 3, 2007), 72 FR 1348 (January 11, 2007) (SR-Amex-2007-01); 55955 (June 25, 2007), 72 FR 36079 (July 2, 2007) (SR-Amex-2007-57); 56324 (August 27, 2007), 72 FR 50426 (August 31, 2007) (SR-ISE-2007-72).

⁹ See Securities Exchange Act Release Nos. 72213 (May 21, 2014), FR 30699 (May 28, 2014) (SR-MIAX-2014-19); 56778 (November 9, 2007), 72 FR 65113 (November 19, 2007) (SR-Amex-2007-100); 57013 (December 20, 2007), 72 FR 73923 (December 28, 2007) (SR-CBOE-2007-140); 57014 (December 20, 2007), 72 FR 73934 (December 28, 2007) (SR-ISE-2007-111).

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

operative noted “that options on the iShares MSCI Mexico Index Fund currently trade on other exchanges.”¹²

Consistent with Section 6(b)(5)

Section 6(b)(5) of the Act provides that the rules of the exchange shall 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 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.”

MIAX believes that the Proposals are consistent with the requirements of Section 6(b)(5) in that they are 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 Proposals are nearly identical to prior Commission precedent allowing a national securities exchange to rely on an MOU entered into between regulators in the event that the exchanges themselves cannot enter into a CSSA, which precedent has also been found to be consistent with Section 6(b)(5).¹³ The Proposals also use the mechanism that was clearly provided by the Commission in the New Product Release to be used in situations in which a CSSA is not possible to obtain and which mechanism has also been found to be consistent with Section 6(b)(5).¹⁴ In following these established mechanisms to list products in reliance upon Commission MOUs with foreign regulators, the Proposals help prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in facilitating transactions in securities, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest by avoiding the regulatory compliance issue of improperly listing the ETFs without CSSAs, or without Commission approval, while providing a clear mechanism to acquire surveillance and trading information when necessary from a foreign regulator via the Commission.

For reason(s) not explicitly laid out in any of the Commission’s notices¹⁵ of the Proposals, the Commission is now positioning itself to disapprove the Proposals to rely on existing Commission precedent explicitly allowing exchanges to rely on MOUs entered into between regulators in the event that the exchanges themselves cannot enter into a CSSA – mere months

¹² See Securities Exchange Act Release No. 72213 (May 21, 2014), 79 FR 30699 (May 28, 2014) (SR-MIAX-2014-19).

¹³ See *supra* notes 8, 9.

¹⁴ See *supra* note 7.

¹⁵ See *supra* note 1.

after a immediately effective, and operative upon filing, 19b-4 filing using the identical precedent.

MIAX believes that any action by the Commission by Delegated Authority to disapprove the Proposals would be arbitrary and capricious, and as such, ripe for review. Further, such action would have a chilling effect on future initiatives by exchanges to list new options products similar to the ETFs to the detriment of investors seeking additional methods and venues to manage their risk in the underlying ETFs.

Consistent with Section 6(b)(8)

Section 6(b)(8) of the Act provides that the rules of the exchange shall “not impose any burden on competition not necessary or appropriate in furtherance of the purposes of” the Act.

MIAX believes that the Proposals are consistent with the requirements of Section 6(b)(8) and would promote competition amongst options exchanges by providing an additional venue on which to trade these options products. As mentioned above, the Proposals are competitive filings in that they are designed to enable the Exchange to list ETFs that our competitors already list and trade, with or without a CSSA in place. In contrast, disapproving the Proposals is inconsistent with the requirements of Section 6(b)(8). By disapproving the Proposals, the Commission is essentially providing those competing options exchanges that currently list and trade these ETFs, with or without a CSSA in place, have a government sanctioned monopoly on those products. No other exchange that is currently unable to obtain a CSSA (or unwilling to list the products without a CSSA despite not obtaining the Commission’s approval), such as MIAX, would be allowed to compete by listing and trading the ETF option products.

The following details the extent of the competitive issue for MIAX and other exchanges.¹⁶

¹⁶ The Exchange notes that there are currently 12 options exchanges.

iShares MSCI Brazil Capped ETF¹⁷

	Listing Exchange	Listing Date
1	BOX Options Exchange	3/10/2008
2	Chicago Board Options Exchange Inc.	5/24/2006
3	C2 Options Exchange, Inc.	11/22/2010
4	ISE Gemini	8/23/2013
5	International Securities Exchange	7/18/2007
6	NASDAQ OMX BX Options	7/9/2012
7	NASDAQ Options Market	1/12/2010
8	NASDAQ OMX PHLX	7/2/2007
9	NYSE Amex Options	4/4/2007
10	NYSE Arca Options	12/4/2007

iShares MSCI Chile Capped ETF

	Listing Exchange	Listing Date
1	Chicago Board Options Exchange	7/08/2009
2	NASDAQ OMX PHLX	3/15/2010

iShares MSCI Peru Capped ETF

	Listing Exchange	Listing Date
1	Chicago Board Options Exchange	2/7/2011
2	NASDAQ OMX PHLX	7/15/2011

iShares MSCI Spain Capped ETF

	Listing Exchange	Listing Date
1	Chicago Board Options Exchange	2/7/2011
2	ISE Gemini	10/1/2014
3	International Securities Exchange	7/31/2014

Market Vectors Brazil Small-Cap ETF

	Listing Exchange	Listing Date
1	Chicago Board Options Exchange	7/08/2009
2	International Securities Exchange	12/4/2009
3	NASDAQ OMX PHLX	6/3/2009

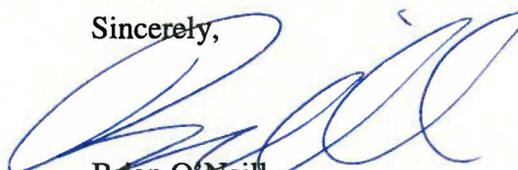
¹⁷ The Exchange notes that EWZ is currently ranked 16th by options volume across all options exchanges. Without approval of the Proposals, MIAAX will continue to be unable to list and trade options on EWZ and effectively compete for that portion of the national market share.

Market Vectors Russia ETF¹⁸

	Listing Exchange	Listing Date
1	BATS Options Exchange	6/4/2007
2	BOX Options Exchange	5/9/2008
3	Chicago Board Options Exchange Inc.	2/13/2008
4	ISE Gemini	9/27/2013
5	International Securities Exchange	9/27/2013
6	NASDAQ OMX PHLX	6/6/2008
7	NYSE Amex Options	7/10/2008
8	NYSE Arca Options	6/4/2007

For the reasons stated above, MIAX believes that the Proposals are consistent with the requirements of the Act and that the Commission should ultimately approve the filings. Once again, MIAX appreciates the opportunity to comment on the Proposals and looks forward to a similar opportunity with SR-MIAX-2014-48. Should the Commission or the Staff have any questions, please feel free to contact me at [REDACTED]

Sincerely,



Brian O'Neill
Vice President and Senior Counsel

cc: Stephen Luparello, Director, Division of Trading and Markets
James Burns, Deputy Director, Division of Trading and Markets
Heather Seidel, Associate Director, Division of Trading and Markets

¹⁸ The Exchange notes that RSX is currently ranked 116th by options volume across all options exchanges. Without approval of the Proposals, MIAX will continue to be unable to list and trade options on RSX and effectively compete for that portion of the national market share.