

March 21, 2023

Vanessa Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-0609

Re: Proposed Rule Changes to Amend Multiple Fees

Miami International Securities Exchange LLC (“MIAX”):
SR-MIAX-2023-08; Rel. No. 34-97081

MIAX Pearl, LLC (“PEARL”):
SR-PEARL-2023-05; Rel. No. 34- 97082

MIAX Emerald, LLC (“EMERALD”):
SR-EMERALD-2023-05; Rel. No. 34- 97079

Dear Ms. Countryman:

Susquehanna International Group, LLP (“SIG”) appreciates the opportunity to comment on the above-noted proposed fee increases (the “Proposed Fee Increases”) by the above-referenced exchanges (together, the “Exchanges”). The subject fee filings are merely re-filings of the Proposed Fee Increases filed January 10, 2023 that were subsequently withdrawn by the Exchanges, and they are the eighth unavailing attempt to increase the subject connectivity fees.¹

SIG commented on the Prior Filings collectively in its letter dated February 7, 2023 (the “Prior Comment Letter”), which incorporated its preceding comment letters to the Exchanges’ earlier proposals for the subject connectivity fees. We re-assert the arguments of our Prior Comment Letter in response to the instant Proposed Fee Increases.²

The instant re-filings of the Proposed Fee Increases are not substantively different from the Prior Filings, and do not address any of the criticisms and objections in SIG’s Prior Comment Letter. While continuing to complain of an alleged ambiguity in Securities and Exchange Commission (“SEC” or the “Commission”) responses to the Exchanges’ prior filings for the subject connectivity fees, the Exchanges willfully ignore the detailed critiques of their respective fee filings by both the

¹ See, SR-MIAX-2022-50, SR-PEARL-2022-61, and SR-EMERALD-2023-01 (the “Prior Filings”); and the respective withdrawal letters of Michael Slade, AVP, Associate Counsel, MIAX Exchange Group, dated February 9, 2023.

² In view of the mirrored discussions among the respective Proposed Fee Increases, language citations will reference SR-MIAX-2023-08 (the “MIAX Filing”) for the sake of convenience.

Commission and SIG throughout the Exchanges' seven (7) prior attempts to propose the subject connectivity fee increases.

In reference to SIG's Prior Comment Letter, the Exchanges stated:

In its letter the sole commenter seeks to incorporate comments submitted on previous Exchange proposals to which the Exchange has previously responded. To the extent the sole commenter has attempted to raise new issues in its letter, the Exchange believes those issues are not germane to this proposal in particular, but rather raise larger issues with the current environment surrounding exchange non-transaction fee proposals that should be addressed by the Commission through rule making, or Congress, more holistically and not through an individual exchange fee filing. Among other things, the commenter is requesting additional data and information that is both opaque and a moving target and would constitute a level of disclosure materially over and above that provided by any competitor exchanges.³

The Exchanges' summary dismissal of SIG's Prior Comment Letter is specious. SIG incorporated its prior comment letters precisely because the Exchanges have not responded to them, but instead have sought to repeatedly ignore or sidestep them. For example, we have repeatedly requested the criteria, metrics, and processes for employing such criteria and metrics, as well as the supporting justifications therefor; and, these are proper components of a credible analysis. As we have pointed out before, it seems that the reason the Exchanges seek to avoid these disclosures is that they did not conduct such an analysis, but rather made subjective estimates that they would like the SEC and public to simply trust. They have repeatedly sought to conceal this point throughout their eight (8) rounds of filings, including by hiding it behind claims of being a "proprietary process".

We are uncertain what the Exchanges refer to in their mention of "larger issues" that should be addressed by the Commission or Congress. If they are directing this statement toward SIG's issue with the excessive proliferation of options exchanges and the de-facto practical requirement for SIG and other substantial liquidity-providing market makers to be on each exchange, this issue was noted by SIG to rebut the Exchanges' claim that market participants could avoid the proposed fee increases by not being members of the Exchanges. It was the Exchanges who raised this issue to argue for the reasonability of its Proposed Fee Increases.⁴

Finally, the Exchanges once again seek to avoid disclosures required by SEC Staff Guidance, this time by accusing SIG of making data requests that are "opaque" and a "moving target". They provide no support for these claims, because they cannot.

As noted above, the Exchanges likewise seek to avoid such disclosures by claiming that they "would constitute a level of disclosure materially over and above that provided by any competitor exchanges." We have previously noted our agreement with the Exchanges that all exchanges should be held to the same level of disclosure and scrutiny in their fee and rule filings with the SEC,

³ MIAX Filing, p. 78.

⁴ The prospect that Exchange members may leave if they regard any given Exchange fees to be too high is not a justifiable argument for the reasonability of such fees, as the Exchanges assert, in any event. Indeed, if anything, such member's departure indicates the opposite – that the fee increases are *unreasonable*.

but this does not excuse the Exchanges from complying with SEC requirements. Nor do even the Exchanges claim otherwise.

The time has come for the Exchanges to stop asking the SEC and public to simply trust the Exchanges' processes in seeking to justify their proposed fee increases, and for them to stop running away from sound critiques of their filings by the SEC and SIG by ignoring them or summarily dismissing them as "opaque" and "ambiguous". For the reasons we have noted throughout our eight (8) comment letters in this matter, the Proposed Fee Increases are unreasonable and unjustified, and accordingly should be disapproved.

Respectfully,



Gerald D. O'Connell