



**DATE: April 9, 2013**

**TO: MIAX Members**

**FROM: MIAX Regulatory Department**

**RE: Filing No. SR-MIAX-2013-13  
Administrative Information Subscriber  
Testing, Connectivity and Port Fees**

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The Exchange filed to amend the MIAX Options Fee Schedule (the "Fee Schedule") to add a new category of MIAX participant, an Administrative Information Subscriber ("AIS"), and to establish testing and AIS Port Fees for participants who wish to receive administrative information (described more fully below) via connectivity with the MIAX System.<sup>1</sup> The new fees are operative as of April 1, 2013.

### **Administrative Information**

Currently, subscribers to the MIAX Top of Market ("ToM") data product receive MIAX's best bid and offer, with aggregate size and last sale information.

Subscribers to ToM also receive the following administrative information: opening imbalance condition information; opening routing information; Expanded Quote Range information, as provided in MIAX Rule 503(f)(5); Post-Halt Notification, as provided in MIAX Rule 504(d); and Liquidity Refresh condition information, as provided in MIAX Rule 515(c)(1)(iii)(A). This additional information (the "administrative information") is included in the ToM feed and is not top of market information. The administrative information is also currently available to MIAX Market Makers via connectivity with the MIAX Express Interface ("MEI"), for which they are assessed connectivity fees.

In order to accommodate those who wish to receive the administrative information but who do not wish to subscribe to the ToM product or register as a MIAX Market Maker, the Exchange will make the administrative information available to any participant via connectivity with an AIS Port, as described below.

### **AIS**

An AIS is a market participant that connects with the MIAX System for purposes of receiving the administrative information described above. Thus, an AIS that elects not to receive the top of

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<sup>1</sup> See Securities Exchange Act Release No. 69320 (April 5, 2013), (SR-MIAX-2013-13).



market data through a subscription to ToM or act as a MIAX Market Maker will be able receive the administrative information via connectivity to the MIAX System through an AIS Port.

### **API Testing and Certification Fee**

An AIS, whether a MIAX Member or non-Member, will be assessed a one-time Application Programming Interface ("API") Testing and Certification fee of \$1,000.00.

### **Monthly System Connectivity Fees**

MIAX will assess a monthly Network Connectivity Fee of \$1,000.00 for a one Gigabit connection, and \$5,000.00 for a ten Gigabit connection to an AIS, whether such AIS is a MIAX Member or non-Member. The Network Connectivity fee will be pro-rated for a new AIS connecting to the MIAX System based on the number of trading days on which the AIS received administrative information by way of connectivity with MIAX, divided by the total number of trading days in such month, multiplied by the monthly rate.

### **Port Fees**

The Exchange will assess monthly AIS Port fees based upon the number of Exchange matching engines to which an AIS connects. An AIS will be allocated two AIS ports for each matching engine they use. For example, an AIS that wishes to receive administrative information in just one symbol would require the two AIS ports in a single matching engine; an AIS wishing to receive the administrative information in all symbols traded on the Exchange would require the two AIS Ports in each of the Exchange's matching engines.

The Exchange will assess a monthly AIS Port fee of \$1,000.00 to an AIS for the first matching engine on which an AIS has the two ports, \$250.00 each for the second through fifth matching engines on which the AIS has the two ports, and \$125.00 each for the sixth matching engine and any additional matching engines on which the AIS has the two ports.

### **Technical Amendments to the Fee Schedule**

The Exchange also made technical amendments to the Fee Schedule by deleting obsolete provisions stating that monthly FIX, MEI, fees and MIAX Member Participant Identifier ("MPID") fees will be in effect beginning January 1, 2013, and stating that Clearing Trade Drop Port Fees will be Effective February 1, 2013. The Exchange also deleted language from the Fee Schedule that states that MEI Port fees will be capped at \$1,000.00 per month per Market Maker until the first full calendar month during which the Exchange lists and trades options overlying at least 100 underlying securities.

Please direct any questions [to Regulatory@miaxoptions.com](mailto:Regulatory@miaxoptions.com).

*Brackets indicate deletions; underlining indicates new text*

## **MIAX Options Fee Schedule**

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## MIAX Options Fee Schedule

1) – 3) No change.

### 4) Testing and Certification Fees

#### a) Member Application Programming Interface (API) Testing and Certification (One-Time Fee)

Type of Member	API Testing and Certification Fee
Electronic Exchange Member	\$1,000.00
Market Maker	\$2,500.00
<u>Administrative Information Subscriber (“AIS”)</u> <sup>21</sup>	<u>\$1,000.00</u>

[The MIAX API Testing and Certification fees are based upon the category of Member being tested and certified. API Testing and Certification fees will be waived for all Electronic Exchange Members and Market Makers that apply for MIAX membership and complete API testing and certification on or before January 31, 2013. Electronic Exchange Members and Market Makers that apply for MIAX membership or that complete API testing and certification on or after February 1, 2013 are subject to the Member API Testing and Certification Fees as described above.]

#### b) Non-Member API Testing and Certification (One-Time Fee)

Non-Member	API Testing and Certification
Third Party Vendors <sup>[11] 13</sup> and Service Bureaus <sup>[12] 14</sup>	\$5,000.00
<u>AIS</u>	<u>\$1,000.00</u>

<sup>12</sup> An AIS is a non-Market Maker that connects with the MIAX System for purposes of receiving administrative information from the MIAX System.

<sup>[11] 13</sup> Third Party Vendors are subscribers of MIAX’s market and other data feeds, which they in turn use for redistribution purposes.

<sup>[12] 14</sup> A Service Bureau is a technology provider that offers and supplies technology and technology services to a trading firm that does not have its own proprietary system.

c) No change.

d) **Non-Member Network Testing and Certification Fee (One-Time Fee)**

<b>Non-Member Network Connectivity Testing and Certification</b>	<b>1 Gigabit Per Connection</b>	<b>10 Gigabit Per Connection</b>
<b>Service Bureau/Extranet Provider<sup>[13] 15</sup> – One Connection</b>	<b>\$2,000.00</b>	<b>\$6,000.00</b>
<b>Service Bureau/Extranet Provider – For each additional connection</b>	<b>\$1,000.00</b>	<b>\$4,000.00</b>

5) **System Connectivity Fees**

a) **Monthly Member Network Connectivity Fee**

<b>Member Network Connectivity Per Month</b>	<b>1 Gigabit Per Connection</b>	<b>10 Gigabit Per Connection</b>
<b>Individual Firm</b>	<b>\$1,000.00</b>	<b>\$5,000.00</b>

[MIAX’s first monthly Member Network Connectivity fee for all Members will be assessed on a pro-rata basis, which is the number of trading days remaining in that month divided by the total number of trading days in the month. Thereafter, t] The Member Network Connectivity fee will be pro-rated for new Members based on the number of trading days on which the Member used the connectivity in its first month of trading on or receiving information by way of such connectivity with MIAX, divided by the total number of trading days in such month multiplied by the monthly rate.

<sup>[13] 15</sup> An Extranet Provider is a technology provider that connects with MIAX systems and in turn provides such connectivity to MIAX participants that do not connect directly with MIAX.

**b) Monthly Non-Member Network Connectivity Fee**

<b>Non-Member Network Connectivity Per Month</b>	<b>1 Gigabit Per Connection</b>	<b>10 Gigabit Per Connection</b>
<b>Service Bureau/Extranet Provider</b>	<b>\$2,000.00</b>	<b>\$10,000.00</b>
<b><u>AIS</u></b>	<b><u>\$1,000.00</u></b>	<b><u>\$5,000.00</u></b>

[MIAX’s first monthly non-Member Network Connectivity fee for all non-members will be assessed on a pro-rata basis, which is the number of trading days remaining in that month divided by the total number of trading days in the month multiplied by the monthly rate. Thereafter, t] The non-Member Network Connectivity fee will be pro-rated for new non-Members connecting to the MIAX System based on the number of trading days on which the non-Member used the connectivity in its first month of trading on, or (in the case of an AIS, receiving administrative information by way of such connectivity with MIAX, divided by the total number of trading days in such month multiplied by the monthly rate.

**c) Pass-Through of External Connectivity Fees**

MIAX will assess External Connectivity fees to Members and non-Members that establish connections with MIAX through a third-party. Fees assessed to MIAX by third-party external vendors on behalf of a Member or non-Member connecting to MIAX (including cross-connects),<sup>[14] 16</sup> will be passed through to the Member or non-Member. The External Connectivity fees passed through can include one-time set-up fees, monthly charges, and other fees charged to MIAX by a third-party for the benefit of a Member or non-Member.

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<sup>[14] 16</sup> A “cross-connect” occurs when the affected third-party system is sited at the same data center where MIAX systems are sited, and the third-party connects to MIAX through the data center, rather than connecting directly to MIAX outside of the data center.

**d) Port Fees**

**FIX Port Fees [(These Fees will be in effect beginning January 1, 2013)]  
MIAX will assess monthly Financial Information Exchange (“FIX”) Port<sup>[15] 17</sup> Fees on Members based upon the number of FIX Ports used by the Member submitting orders to MIAX.**

<b>FIX Port Fees</b>	<b>MIAX Monthly Port Fees Includes Connectivity to the Primary, Secondary and Disaster Recovery Data Centers<sup>[16] 18</sup></b>
<b>1st FIX Port</b>	<b>\$250 per month</b>
<b>FIX Ports 2 through 5</b>	<b>\$150 per month per port</b>
<b>Additional FIX Ports over 5</b>	<b>\$50 per month per port</b>

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<sup>[15] 17</sup> A FIX Port is an interface with MIAX systems that enables the Port user (typically an Electronic Exchange Member or a Market Maker) to submit orders electronically to MIAX.

<sup>[16] 18</sup> MIAX has primary and secondary data centers and a disaster recovery center. Each port provides access to all three data centers for a single fee.



**MEI Port Fees [(These Fees will be in effect beginning January 1, 2013)]**

MIAX will assess monthly MIAX Express Interface (“MEI”)<sup>[17] 19</sup> Port fees on Market Makers based upon the number of MIAX matching engines<sup>[18] 110</sup> used by the Market Maker or connected non-Market Maker. MEI Port users will be allocated two (2) ports per matching engine to which they connect. An MEI Port provides a Market Maker with the connectivity necessary to submit electronic quotes to the MIAX System.

MEI Fees	MIAX Monthly MEI Fees Includes MEI ports at the Primary, Secondary and Disaster Recovery Data Centers
Market Maker 1st Engine	\$1,000 per month for 2 ports for first engine
Market Maker Engines 2 through 5	\$500 per month for 2 ports for each engine
Market Maker Engines over 5	\$250 per month for 2 ports for each engine

[MEI Port fees will be capped at \$1,000 per month per Market Maker until the first full calendar month during which MIAX lists and trades options overlying at least 100 underlying securities. Once MIAX begins listing and trading options overlying at least 100 underlying securities, MIAX will assess MEI Port fees as described above.]

**Clearing Trade Drop Port Fees [(Effective February 1, 2013)]**

Description	Monthly Fee
Real-Time CTD Information	\$0.0030 per executed contract side

CTD provides Exchange members with real-time clearing trade updates. The updates include the member’s clearing trade messages on a low latency, real-time basis. The trade messages are routed to a member’s connection containing certain information. The information includes, among other things, the following: (i) trade date and time; (ii) symbol information; (iii) trade price/size information; (iv) member type (for example, and without limitation, Market Maker, Electronic Exchange Member, Broker-Dealer); and (v) Exchange Member

<sup>[17] 19</sup> MIAX Express Interface is a connection to MIAX systems that enables Market Makers to submit electronic quotes to MIAX.

<sup>[18] 110</sup> A “matching engine” is a part of the MIAX electronic system that processes options quotes and trades on a symbol-by-symbol basis. Some matching engines will process option classes with multiple root symbols, and other matching engines will be dedicated to one single option root symbol (for example, options on SPY will be processed by one single matching engine that is dedicated only to SPY). A particular root symbol may only be assigned to a single designated matching engine. A particular root symbol may not be assigned to multiple matching engines.

Participant Identifier (“MPID”) for each side of the transaction, including clearing member MPID.

**AIS Port<sup>20</sup> Fees**

<u>AIS Ports</u>	<u>AIS Monthly Port Fees</u>
<u>1<sup>st</sup> Engine</u>	<u>\$1,000.00 per month for 2 ports for first engine</u>
<u>Engines 2 through 5</u>	<u>\$250.00 for 2 ports for each engine</u>
<u>Engines over 5</u>	<u>\$125.00 for 2 ports for each engine</u>

e) Electronic Exchange Member MPID Fees [(These Fees will be in effect beginning January 1, 2013)]

MIAX will assess monthly MIAX Member Participant Identifier (“MPID”) fees to Electronic Exchange Members (“EEMs”), based upon the number of MPIDs assigned to the particular EEM in a given month.

<b>EEM MPID Fees</b>	<b>EEM Monthly MPID Fees</b>
<b>1st MPID per EEM</b>	<b>\$200 per month</b>
<b>2<sup>nd</sup> through 5<sup>th</sup> EEM MPID</b>	<b>\$100 per month for each MPID</b>
<b>Each Additional EEM MPID over 5</b>	<b>\$50 per month for each MPID</b>

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<sup>20</sup> An AIS Port provides an AIS with the connectivity necessary to receive administrative information from the MIAX System