



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102881; File No. SR-EMERALD-2025-09]

### **Self-Regulatory Organizations; MIAX Emerald, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Exchange Rule 208, MIAX Emerald Billing System**

April 17, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act” or “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 3, 2025, MIAX Emerald, LLC (“MIAX Emerald” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I and II 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 proposes to amend Exchange Rule 208, MIAX Emerald Billing System, to enable the Exchange, upon request by the Member<sup>3</sup> and approval by the Exchange, to permit an Exchange Member to provide alternative payment instructions for purposes of the Exchange’s direct debit process for the collection of fees and other monies due and owing to the Exchange.

The text of the proposed rule change is available on the Exchange’s website at <https://www.miaxglobal.com/markets/us-options/miax-options/rule-filings>, at the Exchange’s principal office, and at the Commission’s Public Reference Room.

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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.

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 208, MIAX Emerald Billing System, to enable the Exchange, upon request by the Member and approval by the Exchange, to permit a Member to provide alternative payment instructions (i.e., other than the designated Clearing Member's<sup>4</sup> account number at the Clearing Corporation<sup>5</sup>, as currently required by Exchange Rule 208) for purposes of the Exchange's direct debit process for the collection of fees and other monies due and owing to the Exchange.

Currently, Exchange Rule 208 provides that every Member must designate a Clearing Member for the payment of the Member's Exchange invoices and vendor invoices for Exchange-related services assessed by the Exchange by means of the Exchange's MIAX Emerald Billing System ("EBS"). The designated Clearing Member shall pay to the Exchange on a timely basis the full amount of each monthly Exchange invoice. Such payments shall be drafted by the Exchange against the designated Clearing Member's account at the Clearing Corporation.

The proposed rule change would provide that the Exchange will, upon request, waive the requirement for a Member to designate a Clearing Member and instead require such Member to

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<sup>4</sup> The term "Clearing Member" means a Member that has been admitted to membership in the Clearing Corporation pursuant to the provisions of the rules of the Clearing Corporation. See Exchange Rule 100.

<sup>5</sup> The term "Clearing Corporation" means The Options Clearing Corporation. Id.

provide alternative payment instructions as agreed to by the Exchange for purposes of permitting the Exchange to debit certain fees, as determined by the Exchange; provided, however, that the Exchange reserves the right to require any such Member to designate a Clearing Member for such purposes as set forth above if the Exchange encounters repeated failed collection attempts using such alternative payment instructions.

The purpose of the proposed change is to provide the Exchange with the flexibility to agree to an alternative payment arrangement with a Member if such Member so requests, as the Exchange understands that certain Members may have an operational burden associated with remitting payment to the Exchange through a Clearing Member's account with the Clearing Corporation. Under the proposed rule change, any such alternative payment instructions must: (i) be agreed to by the Exchange for a specified fee; and (ii) permit the Exchange to initiate the debit of any fees and other monies due and owing to the Exchange in a manner similar to the current requirement with respect to a Clearing Member's account with the Clearing Corporation (i.e., a direct debit process). The requirement that such alternative payment instructions must be agreed to by the Exchange is intended to be an objective standard, and the Exchange's ability to agree to such alternative payment instructions would be exercised uniformly with respect to any Member that so requests to the extent such alternative payment instructions reasonably appear to permit the Exchange to utilize a direct debit process for a certain fee.

The Exchange notes that several exchanges provide for substantively similar alternative payment provisions in their billing rules for equity members that may want to pay exchange fees via an alternative method.<sup>6</sup>

## 2. Statutory Basis

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<sup>6</sup> See, e.g., MEMX LLC ("MEMX") Rule 15.3; NYSE American LLC ("NYSE American") Rule 41(a); NYSE Arca, Inc. ("NYSE Arca") Rule 3.7.

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>7</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>8</sup> in particular, in that it is 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. The Exchange also believes the proposed rule change is consistent with the Section 6(b)(5)<sup>9</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(1)<sup>10</sup> requirement that it be so organized and have the capacity to be able to carry out the purposes of the Act and to comply, and to enforce compliance by its Members and persons associated with its Members, with the provisions of the Act, the rules and regulations thereunder, and the Exchange's Rules.

The Exchange believes the proposed change to enable the Exchange, upon request, to permit a Member to provide alternative payment instructions (i.e., other than the Clearing Member's account number with the Clearing Corporation, as currently required by Exchange Rule 208) for purposes of the Exchange's direct debit collection process is appropriate and consistent with Section 6(b)(1) of the Act,<sup>11</sup> as such change would provide the Exchange with the flexibility to agree to an alternative payment arrangement with a Member that has an operational burden associated with remitting payment to the Exchange through a Clearing Member's account with the Clearing Corporation, thereby enabling it to be so organized and have the capacity to be

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<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> Id.

<sup>10</sup> 15 U.S.C. 78(b)(1).

<sup>11</sup> 15 U.S.C. 78(b)(1).

able to carry out the purposes of the Act and to comply, and to enforce compliance by its Members and persons associated with its Members, with the Exchange's Rules relating to payment of fees and other monies due and owing to the Exchange. The Exchange also believes that reserving the right to revert to the general rule (i.e., to require a Clearing Member's account number with the Clearing Corporation for direct debit purposes) with respect to any such Member if the Exchange encounters repeated failed collection attempts using such alternative payment instructions is appropriately designed to ensure that it is able to collect the fees and other monies due and owing to the Exchange through its standard collection process if warranted, and is thus consistent with the Act for similar reasons.

Additionally, as this proposed change is designed to give the Exchange and its Members flexibility regarding their payment arrangements while providing a safeguard by which the Exchange may revert to its standard collection process, the Exchange believes it would promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest. This proposed change is also equitable and not unfairly discriminatory because it is based on objective standards and would apply equally to all Members for registration as such, as described above.

The proposed change is also based on billing and collection rules in place at several equity exchanges, which provide for substantively similar alternative payment provisions in their billing rules for equity members that may want to pay exchange fees via an alternative method.<sup>12</sup>

B. Self-Regulatory Organization's Statement on Burden on Competition

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<sup>12</sup> See supra note 6.

The Exchange does not believe that the proposal will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change to enable the Exchange to agree to alternative payment instructions for the Exchange's direct debit collection process would apply equally to all Members as the opportunity to request that the Exchange agree to alternative payment instructions will be available to any such Member and the Exchange's ability to agree to such alternative payment instructions would be exercised uniformly on an objective basis.

The Exchange does not believe such proposed changes would impair the ability of Members or competing order execution venues to maintain their competitive standing in the financial markets, and therefore, the Exchange does not believe the proposal will impose any burden on intermarket competition. Moreover, because the proposed changes would apply equally to all Members, the Exchange does not believe the proposal would impose any burden on intramarket competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Pursuant to Section 19(b)(3)(A) of the Act<sup>13</sup> and Rule 19b-4(f)(6)<sup>14</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.

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<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f)(6).

A proposed rule change filed under Rule 19b-4(f)(6)<sup>15</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>16</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative upon filing. In the filing, the Exchange stated that the proposed change is based on billing and collection rules in place at several equity exchanges, which provide for substantively similar alternative payment provisions in their billing rules for equity members that may want to pay exchange fees via an alternative method.<sup>17</sup> The proposed change does not raise any novel issues and provides the Exchange with the flexibility to agree to an alternative payment arrangement with a Member, while reserving the right to revert to the general rule (i.e., to require a Clearing Member's account number with the Clearing Corporation for direct debit purposes) if the Exchange encounters repeated failed collection attempts using such alternative payment instructions, and therefore, waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the operative delay and designates the proposal operative upon filing.<sup>18</sup>

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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>17</sup> See *supra* note 6.

<sup>18</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

#### 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-EMERALD-2025-09 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-EMERALD-2025-09. This file number should be included on the subject line if email 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright



protection. All submissions should refer to file number SR-EMERALD-2025-09 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>19</sup> 17 CFR 200.30-3(a)(12).