

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

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Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104002; File No. SR–SAPPHIRE–2025–37]

Self-Regulatory Organizations; MIAX Sapphire, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the MIAX Sapphire Fee Schedule To Establish Non-Transaction Fees Applicable to Floor Participants of the Exchange’s Trading Floor

September 18, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”),¹ and Rule 19b–4 thereunder,² notice is hereby given that on September 11, 2025, MIAX Sapphire, LLC (“MIAX Sapphire” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III 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 the MIAX Sapphire Options Exchange Fee Schedule (“Fee Schedule”) to amend the MIAX Sapphire Options Exchange Fee Schedule (the “Fee Schedule”) to establish the following non-transaction fees applicable to Floor Participants³ of the Exchange’s Trading Floor:⁴ (1) one-time application and initiation fee; (2)

participant fees; (3) Trading Permit⁵ fees; (4) desk and badge fees; (5) remote services fees; (6) shipping and storage fee; and (7) data center hosting fees.

While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on September 12, 2025, when the Trading Floor is set to begin operations.⁶

The text of the proposed rule change is available on the Exchange’s website at <https://www.miaxglobal.com/markets/us-options/all-options-exchanges/rule-filings>, and at MIAX Sapphire’s principal office.

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

As previously announced, the Exchange anticipates that it will commence Trading Floor operations on September 12, 2025.⁷ In anticipation of the launch of the Trading Floor for equity options trading, the Exchange proposes to amend the Fee Schedule to establish new Section 9, Trading Floor Non-Transaction Fees, and the following subsections, including proposed fee structures and amounts: (1) one-time application and initiation fee; (2) participant fees; (3) Trading Permit fees; (4) desk and badge fees; (5) remote services fees; (6) shipping and

storage fee; and (7) data center hosting fees.⁸

Application and Initiation Fee (One-Time)

The Exchange proposes to amend the Fee Schedule to establish new Section 9(a), Application and Initiation Fee (One-Time). In particular, the Exchange proposes to assess a one-time fee of \$2,000 for each Floor Broker⁹ application and initiation and a one-time fee of \$2,000 for each Floor Market Maker¹⁰ application and initiation. The Exchange proposes to provide that it will assess the one-time application and initiation fee on the earlier of (i) the date the applicant is certified in the membership system, (ii) provided access to the Trading Floor and/or Trading Floor data center, or (iii) once an application for Trading Floor membership is finally denied.

The Exchange proposes to provide in the Fee Schedule that the one-time Application and Initiation Fee will be waived for the Initial Waiver Period.¹¹ The purpose of waiving this fee is to provide an incentive for market participants interested in becoming Floor Participants to submit early applications and become Floor Participants in time for the launch of the Trading Floor, which may result in increased potential order flow and liquidity as MIAX Sapphire begins Trading Floor operations. Waiving certain fees is how exchanges have historically attracted membership and

⁸ The Exchange will (or already has) filed a separate rule filing pursuant to Section 19(b)(3)(A) of the Exchange Act (15 U.S.C. 78s(b)(3)(A)) and Rule 19b–4(f)(2) (17 CFR 240.19b–4(f)(2)) thereunder to establish certain definitions applicable to transactions on the Trading Floor, as well as fees and rebates that will apply to orders entered by Floor Participants on the Trading Floor. The Exchange cites to certain capitalized terms in that filing. See SR–SAPPHIRE–2025–36 (not yet noticed by the Commission at the time of this filing).

⁹ A Floor Broker is an individual who is registered with the Exchange for the purpose, while on the Trading Floor, of accepting and handling options orders. A Floor Broker must be registered as a Floor Participant prior to registering as a Floor Broker. A Floor Broker may take into his own account, and subsequently liquidate, any position that results from an error made while attempting to execute, as Floor Broker, an order. See Exchange Rule 2015.

¹⁰ A Floor Market Maker is a Floor Participant of the Exchange located on the Trading Floor who has received permission from the Exchange to trade in options for his own account. See Exchange Rule 2105(b).

¹¹ The term “Initial Waiver Period” means, for each applicable fee, the period of time from the initial effectiveness of the fee for the remainder of the partial month once the Trading Floor begins to operate, plus an additional five (5) full calendar months after the completion of the partial month, if applicable, of the launch of Trading Floor operations. See the Definitions section of the Fee Schedule.

¹⁷ 17 CFR 200.30–3(a)(12) and (59).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ The term “Floor Participant” means Floor Brokers as defined in Rule 2015 and Floor Market Makers as defined in Rule 2105(b). See Exchange Rule 100.

⁴ The term “Trading Floor” or “Floor” means the physical trading floor of the Exchange located in Miami, Florida. The Trading Floor shall consist of one “Crowd Area” or “Pit” where Floor Participants will be located and option contracts will be traded. The Crowd Area or Pit shall be marked with specific visible boundaries on the Trading Floor, as determined by the Exchange. A Floor Broker must represent all orders in an “open outcry” fashion in the Crowd Area. See Exchange Rule 100.

⁵ The term “Trading Permit” means a permit issued by the Exchange that confers the ability to transact on the Exchange. See Exchange Rule 100.

⁶ See MIAX Sapphire Options Exchange—Trading Floor—Remaining Test Date and Updated Launch Date—Sapphire Alert—Rescheduled Launch Date and Updated Resources for the MIAX Sapphire Trading Floor (dated July 3, 2025), available at <https://www.miaxglobal.com/alert/2025/07/03/miax-sapphire-options-exchange-trading-floor-remaining-test-date-and>.

⁷ *Id.*

competed for order flow soon after launching operations.¹² Even though the Exchange proposes to waive these particular fees during the Initial Waiver Period, the Exchange believes that it is appropriate to provide market participants with the overall structure of the fees by outlining the structure and amounts in the Fee Schedule so that there is general awareness that the Exchange intends to assess such fees upon expiration of the defined term of the Initial Waiver Period. MIAX Sapphire's proposed one-time application and initiation fees are lower than the initiation fees for floor participants that are assessed by at least one other equity options exchange that offers a trading floor.¹³

Participant Fees

The Exchange proposes to amend the Fee Schedule to establish new Section 9(b), Participant Fees. In particular, the Exchange proposes to assess a monthly participant fee of \$1,250 per firm for Floor Brokers and a monthly participant fee of \$1,250 per firm for Floor Market Makers. The Exchange proposes to provide in the Fee Schedule that it will assess the monthly participant fees to Floor Participants that maintain a physical presence on the Trading Floor. As proposed, participant fees do not entitle participants to transact orders on the Trading Floor.

The Exchange proposes to provide in the Fee Schedule that the monthly participant fees will be waived for the Initial Waiver Period. The purpose of waiving this fee is to provide an incentive for market participants to become Floor Participants. Waiving certain fees is how exchanges have historically attracted membership and competed for order flow soon after launching operations.¹⁴ Even though the Exchange proposes to waive these particular fees during the Initial Waiver

Period, the Exchange believes that it is appropriate to provide market participants with the overall structure of the fees by outlining the structure and amounts in the Fee Schedule so that there is general awareness that the Exchange intends to assess such fees upon expiration of the defined term of the Initial Waiver Period. MIAX Sapphire's proposed participant fees are lower than the participant fees assessed by at least one other equity options exchange that offers a trading floor.¹⁵

Trading Permit Fees

The Exchange proposes to amend the Fee Schedule to establish new Section 9(c), Trading Permit Fees. In particular, the Exchange proposes to assess a monthly Trading Permit fee of \$5,000 per firm for Floor Brokers and a monthly Trading Permit fee of \$5,350 for each Floor Market Maker. A Trading Permit confers the right to trade on the Trading Floor. In addition to Floor Brokers and Floor Participants, other individuals may also work on the Trading Floor as employees or associates of Floor Brokers and Floor Market Makers. For example, Clerks¹⁶ must be registered with the Exchange but are not required to purchase a Trading Permit to work for a Floor Broker or Floor Market Maker on the Trading Floor.

The Exchange proposes to provide in the Fee Schedule that the monthly Trading Permit fee for Floor Brokers will be charged on a per firm basis and entitles the firm to receive an unlimited number of Trading Permits for its Floor Brokers. Each Floor Broker will receive one Trading Permit, badge, and desk. The monthly Trading Permit fee for Floor Brokers will be charged on a per firm basis. For example, if "Firm A" has three registered Floor Brokers on the Trading Floor, each of those Floor Brokers will receive a Trading Permit, desk and badge and "Firm A" will be charged \$5,000 for the month in Trading Permit fees. If, in addition to the three Floor Brokers in the above example, "Firm A" also employs three Clerks (one for each Floor Broker) who are

validly registered with the Exchange and overseen by "Firm A,"¹⁷ then "Firm A" will be charged \$5,000 in Trading Permit fees for its Floor Brokers, plus \$1,350 in desk and badge fees for the three Clerks on the Trading Floor ((\$350 + \$100)) multiplied by three) for a total of \$6,350 for these described fees. "Firm A" will not be assessed Trading Permit fees for the Clerks. The desk and badge fees are described in further detail below.

The Exchange proposes that the monthly Trading Permit fee entitles each Floor Market Maker to receive one Trading Permit, badge and desk. The monthly Trading Permit fee for Floor Market Makers will be charged on a per Floor Market Maker basis. For example, if "Firm B" has three registered Floor Market Makers on the Trading Floor, each of those Floor Market Makers will be charged the Trading Permit fee and receive a desk and badge, and "Firm B" will be charged \$16,050 for the month (\$5,350 multiplied by three). In this example, the three "Firm B" Floor Market Makers receive a desk and badge as part of their monthly Trading Permit fee. If, in addition to the three Floor Market Makers in the above example, "Firm B" also employs three Clerks on the Trading Floor (one for each Floor Market Maker) who are validly registered with the Exchange, then "Firm B" will be charged \$16,050 in Trading Permit fees for its Floor Market Makers, plus \$1,350 in desk and badge fees for the three Clerks on the Trading Floor ((\$350 + \$100)) multiplied by three), for a total of \$17,400 for these described fees. "Firm B" will not be assessed Trading Permit fees for the Clerks. The Exchange describes desk and badge fees in further detail below.

The Exchange determined to charge Floor Brokers on a per firm basis but not Floor Market Makers because the Trading Floor is not an unlimited space. Each on-Floor person is required to have a desk, which physically takes up space. The Exchange determined to charge Floor Brokers on a per firm basis and allocate more space for Floor Brokers to encourage Floor Brokers to bring Qualified Floor Order ("QFOs")¹⁸ and Complex Qualified Floor Order ("cQFOs")¹⁹ volume to the Trading Floor. The Exchange believes this will encourage the role performed by Floor Brokers in facilitating the execution of orders on the Trading Floor, a function that the Exchange wishes to support for the benefit of all market participants. The Exchange believes this fee structure

¹² See, e.g., Securities Exchange Act Release Nos. 100752 (August 16, 2024), 89 FR 67986 (August 22, 2024) (SR-SAPPHIRE-2024-20) (waiving one-time membership application fees, among others, for the Exchange's electronic equity options trading platform for an initial waiver period in order to attract membership and order flow upon launching operations); 85393 (March 21, 2019), 84 FR 11599 (March 27, 2019) (SR-EMERALD-2019-15) (waiving one-time membership application fees, trading permit fees, and testing and certification fees, among others, for an initial waiver period in order to attract membership and order flow upon launching operations); and 97893 (July 13, 2023), 88 FR 46285 (July 19, 2023) (SR-MEMX-2023-13) (waiving membership fees for an initial waiver period of approximately six months upon launch of MEMX's options exchange).

¹³ See BOX Exchange LLC ("BOX") Fee Schedule, Section I.A., Initiation Fee (assessing a one-time initiation fee of \$2,500 for all participant initiations for electronic and floor trading).

¹⁴ See *supra* note 12.

¹⁵ See BOX Fee Schedule, Section I.B., Participant Fee (assessing a participant fee of \$1,500 per month). BOX does not assess the participant fee to electronic market makers of BOX. *Id.* Like BOX, market participants that only utilize the Exchange's electronic trading platform will not be assessed the proposed participant fee.

¹⁶ The term "Clerk" means any registered on-Floor person employed by or associated with a Floor Broker or Floor Market Maker and who is not eligible to effect transactions on the Trading Floor as a Floor Market Maker or Floor Broker. See Exchange Rule 2055(a). While on the Trading Floor, Clerks shall display prominently at all times the badge(s) supplied to them by the Exchange. See Exchange Rule 2055(b).

¹⁷ See Exchange Rule 2055(d).

¹⁸ See Exchange Rule 2040.

¹⁹ See *id.*

will incentivize Floor Broker liquidity while balancing and recognizing the importance of Floor Market Makers to make markets on the Exchange's Trading Floor and interact with the orders brought to the Trading Floor for execution by Floor Brokers. More liquidity should benefit all Floor Participants by providing more trading opportunities, offering a more competitive venue for order execution, thus improving market quality for all market participants.

The Exchange proposes to provide in the Fee Schedule that the monthly Trading Permit fees will be waived if the Floor Broker (per firm) or Floor Market Maker executes at least 100 contracts average daily volume ("ADV") in QFOs or cQFOs, as the case may be, in each relevant month throughout September, October, November and December 2025, as well as January and February 2026. The purpose of this conditional fee waiver is to provide a low enough volume threshold that most, if not all, Floor Participants should be able to achieve in order to have their Trading Permit fees waived, while also promoting order flow and liquidity as the Trading Floor begins to operate.

Waiving certain fees is how exchanges have historically attracted membership and competed for order flow soon after launching operations.²⁰ The Exchange also believes that incentivizing order flow to reduce certain membership fees, like trading permit fees, is historically how other exchanges have competed.²¹ Even though the Exchange proposes to waive these particular fees if a Floor Broker or Floor Market Maker achieves a certain ADV in the relevant month, the Exchange believes that it is appropriate to provide market participants with the overall structure of the fees by outlining the structure and amounts in the Fee Schedule so that there is general awareness that the Exchange intends to assess such fees if the threshold is not met, as well as in the future. MIAX Sapphire's proposed Trading Permit fees for Floor Brokers are lower than the trading permit fees assessed to floor brokers of at least one other equity options exchange that offers a trading floor,²² and are equal to the trading

permit fees assessed to floor brokers of at least one other equity options exchange that offers a trading floor.²³ MIAX Sapphire's proposed Trading Permit fees for Floor Market Makers are lower than the trading permit fees for floor market makers of at least one other equity options exchange that offers a trading floor.²⁴

Desk and Badge Fees

The Exchange proposes to amend the Fee Schedule to establish new Section 9)d, Desk and Badge Fees. In particular, the Exchange proposes that all registered on-Floor persons (*i.e.*, Clerks) employed by or associated with a Floor Market Maker or Floor Broker must have a desk and badge and will be charged the following fees: \$350 per desk per month; and \$100 per badge per month. The purpose of these fees is to assess firms for the space they utilize. The Exchange believes assessing desk and badge fees will incentivize Floor Participants to use their desk and on-Floor personnel space efficiently. Floor Brokers utilize their desk space to communicate with customers, take orders, and coordinate covering the Trading Floor to announce such orders into the Crowd Area. Badges are issued and used by the Exchange to identify all registered on-Floor personnel. This helps the Exchange promote safety and security on the Trading Floor by ensuring that only validly registered Floor Brokers, Floor Market Makers and their employees or associates (*i.e.*, Clerks) are actually on the Trading Floor at all times.

²³ See BOX Fee Schedule, Section I.D., Trading Floor Participant Fees (assessing floor brokers a fee of \$5,000 per month and providing that these fees apply in addition to the initiation fee and monthly participant fee). BOX assesses floor broker trading permit fees on a per-firm basis. *Id.*

²⁴ See Nasdaq PHLX LLC ("PHLX") Options Rules, Options 7 Pricing Schedule, Section 8.A. (assessing a fee of \$6,000 per permit per month to each PHLX member for each permit assigned to a floor lead market maker or floor market maker). PHLX defines the term "member" as ". . . a permit holder which has not been terminated in accordance with the By-Laws and these Rules of the Exchange. A member is a natural person and must be a person associated with a member organization. Any references in the rules of the Exchange to the rights or obligations of an associated person or person associated with a member organization also includes a member" (emphasis added). See PHLX General Equity and Options Rules, General 1, Section 1(16). Accordingly, the Exchange believes PHLX assesses its trading floor permit fees on an individual basis to all floor lead market makers and floor market makers, which is similar to the Exchange's proposed permit fee structure for the Exchange's Floor Market Makers. The Exchange notes that PHLX does not assess a participant fee for floor participants; however, PHLX assesses each clerk, floor broker, market maker and lead market maker a floor facility fee of \$330 per month. See PHLX Options Rules, Options 7 Pricing Schedule, Section 9.A.

The Exchange proposes to provide in the Fee Schedule that the monthly desk and badge fees will be waived for the Initial Waiver Period. The purpose of these fee waivers is to encourage prospective Floor Participants to complete all necessary on-boarding requirements as close as possible to the launch of the Trading Floor (or sooner), which includes selecting desk space, registering all on-Floor personnel and acquiring badges (a more fulsome description of the on-boarding process is described in the statutory basis section). Waiving certain fees is how exchanges have historically attracted membership and competed for order flow soon after launching operations.²⁵ Even though the Exchange proposes to waive these particular fees during the Initial Waiver Period, the Exchange believes that it is appropriate to provide market participants with the overall structure of the fees by outlining the structure and amounts in the Fee Schedule so that there is general awareness that the Exchange intends to assess such fees upon expiration of the defined term of the Initial Waiver Period. MIAX Sapphire's proposed desk and badge fees are similar to the desk and badge fees assessed to floor personnel by other equity options exchanges that offer a trading floor.²⁶

Remote Services Fees

The Exchange proposes to amend the Fee Schedule to establish new Section 9)e, Remote Services Fees. In particular, the Exchange proposes that Floor Participants that request MIAX Sapphire technical support for (i) the Trading Floor data center, (ii) the Trading Floor, or (iii) offices on the Trading Floor, will be assessed a fee of \$250 per hour for such technical support, plus the cost of materials necessary for MIAX Sapphire to complete such technical support. MIAX Sapphire proposes to require a minimum of one (1) hour for remote

²⁵ See *supra* note 12.

²⁶ See BOX Fee Schedule, Section I.D. (assessing a badge fee of \$100 per month and a desk fee of \$350 per month for all registered on-floor persons employed by or associated with a floor market maker or floor broker); NYSE Arca Options Fee and Charges Schedule, Floor and Equipment section (assessing a fee of \$80 per month, per linear foot for floor booths; assessing fees ranging from \$200 per month to \$1,600 per month depending on the number of podium utilized by floor market makers; and assessing a fee of \$125 per month for all registered floor personnel that do not pay a trading permit fee). See also Cboe Fee Schedule, Floor Facility Fees section, page 9 (assessing booth rental fees ranging from \$400 to \$100 per booth per month, depending on the quantity utilized, as well as in-crowd booth space of \$750 per month). Cboe also assesses a fee of \$130 per month for floor manager badges and a fee of \$100 for each replacement badge. *Id.*

²⁰ See *supra* note 12.

²¹ See, e.g., BOX Fee Schedule, Section I.D., Trading Floor Participant Fees (providing that any Floor Broker that executes a trade on 50% or more of the trading days in a given month will receive a \$5,000 trading floor credit).

²² See Cboe Fee Schedule, Floor Trading Permit Sliding Scales section, page 7 (assessing floor broker monthly trading permit fees of \$7,500 for one permit; \$5,700 per permit for the second and third permits; \$4,500 per permit for the fourth and fifth permits; and \$3,200 per permit for every permit utilized greater than five).

service requests with 24 hours required notice during the period covering Monday through Friday, from 4:30 p.m. to 6:30 p.m. Eastern Time. The Exchange proposes that for expedited service, MIAX Sapphire will assess a fee of \$500 per hour for such technical support, plus the cost of materials necessary for MIAX Sapphire to complete such technical support. Expedited service will also have a minimum of one (1) hour for technical support requests and will apply during the period covering Monday through Friday, from 7:30 a.m. to 5:30 p.m. Eastern Time, as well as Exchange holidays and weekends. Expedited service is to be performed on a best efforts basis. The proposed \$250 remote services fee is equal to the technical support request fee that the Exchange charges Members²⁷ of its electronic market for remote assistance at the Exchange's data centers for electronic trading.²⁸ MIAX Sapphire's proposed remote services fees are similar to remote and technical service request fees assessed by at least one other equity options exchange that offers a trading floor.²⁹ The purpose of the proposed expedited service fee is to encourage Floor Participants to minimize "rush" jobs and encourage efficient use of the Exchange's employees' time and resources.

Shipping and Storage Fee

The Exchange proposes to amend the Fee Schedule to establish new Section 9(f), Shipping and Storage Fee. The Exchange will offer Floor Participants the ability to ship equipment and hardware to the Trading Floor and Trading Floor data center, which MIAX Sapphire personnel will receive and store upon receiving the minimum required notice.³⁰ The Exchange proposes that Floor Participants will be assessed a fee of \$100 per shipment, which includes one week of storage by MIAX Sapphire. For each shipment that exceeds one week of storage, MIAX Sapphire will assess each Floor

Participant a fee of \$400, which will include storage for the remainder of the month, instead of the \$100 per shipment fee. MIAX Sapphire will assess each Floor Participant a fee of \$400 per month for all subsequent months of storage thereafter. The purpose of assessing the fee on a monthly basis after the initial week is to streamline billing for certain Floor Participants that have informed the Exchange that they intend to store replacement equipment and hardware at the Trading Floor and/or the Trading Floor data center indefinitely. The Shipping and Storage will not be pro-rated.

Floor Participants must provide the minimum required notice and per shipment details as stated in the request form to MIAX Sapphire Trade Operations prior to MIAX Sapphire personnel receiving such shipment. MIAX Sapphire's proposed shipping and storage fee is similar to the shipping fee assessed by at least one other equity options exchanges that offers a trading floor.³¹

Data Center Hosting Fees

The Exchange proposes to amend the Fee Schedule to establish new Section 9(g), Data Center Hosting Fees. Located in the same building as the Trading Floor is a small data center provided by the Exchange solely to help support the trading activities of Floor Brokers and Floor Market Makers (the "545Wyn Data Center").³² The data center hosting service does not provide dedicated or "co-located" access to the MIAX Sapphire trading system infrastructure, nor does it provide any access or other latency advantage for Floor Participants. Floor Brokers and Floor Market Makers may purchase dedicated space in the 545Wyn Data Center to install their firms' hardware and software necessary to support their Trading Floor activities.³³ The 545Wyn Data Center is intended to provide a secure

environment to facilitate communication between a firm's desk on the Trading Floor and their back-office (located outside of Miami) that will ultimately enter the QFO or cQFO that originated from the Trading Floor. The Exchange notes, however, that firms are not required to purchase space in the 545Wyn Data Center. A firm may use a separate service provider to route their messages from the Trading Floor to their back-office.

In particular, the Exchange proposes to assess an initial one-time fee of \$500 per 9-rack³⁴ unit bay and a monthly fee of \$1,500 per 9-rack unit bay to all Floor Brokers, Floor Market Makers and non-Members that want to house servers and other network equipment in the 545Wyn Data Center. The Exchange proposes to provide in the Fee Schedule that the initial and monthly data center hosting fees will be waived for the Initial Waiver Period. The purpose of waiving these fees is to incentivize market participants interested in becoming Floor Participants of the Exchange's Trading Floor to set up their servers and network equipment in the 545Wyn Data Center prior to or near launch. Waiving certain fees is how exchanges have historically attracted membership and competed for order flow soon after launching operations.³⁵ Even though the Exchange proposes to waive these particular fees during the Initial Waiver Period, the Exchange believes that it is appropriate to provide market participants with the overall structure of the fees by outlining the structure and amounts in the Fee Schedule so that there is general awareness that the Exchange intends to assess such fees upon expiration of the defined term of the Initial Waiver Period. Other exchanges that operate trading floors offer data center services and charge floor participants varying fees based on cabinet or rack space utilized. Although the data center services provided by those exchanges offer direct or "co-located" access to their trading system infrastructure, the Exchange compared those data center service fees to the data center hosting fees proposed herein and believes its proposed fees are similar to the co-location fees assessed by other equity

²⁷ The term "Member" means an individual or organization that is registered with the Exchange pursuant to Chapter II of Exchange Rules for purposes of trading on the Exchange as an "Electronic Exchange Member" or "Market Maker." Members are deemed "members" under the Exchange Act. See the Definitions section of the Fee Schedule and Exchange Rule 100.

²⁸ See Fee Schedule, Section 5(f).

²⁹ See NYSE Arca Connectivity Fee Schedule, page 18 (assessing a fee of \$100 per half hour for hot hands service in the data centers and an expedite fee of \$4,000 per request for installation/completion of a user's co-location service).

³⁰ The Exchange will provide a shipping and storage form to Floor Participants to fill out, which will described, among other things, the shipment terms, timing and required notice.

³¹ See NYSE Arca Connectivity Fee Schedule, page 18 (assessing a fee of \$100 per shipment of goods received at a data center).

³² The 545Wyn Data Center will not provide direct access to the MIAX Sapphire trading system infrastructure, which is located in Equinix's NY4 data center in Secaucus, New Jersey. See MIAX Sapphire Options Exchange User Manual, Version 1.1.0, Section 5.03, dated July 9, 2025, available at https://www.miaxglobal.com/miax_sapphire_user_manual.pdf.

³³ When a Floor Broker is ready to enter a QFO or cQFO into the MIAX Sapphire trading system for execution, the Floor Broker will enter the trade in their system that accesses the Exchange's trading system infrastructure in Equinix, just as the firm would for any other electronic order. The MIAX Sapphire trading system will either accept or reject the QFO or cQFO based on all required system checks (i.e., priority check; no trade-throughs of the Exchange's electronic book or away-exchanges' displaying better prices, etc.).

³⁴ A data center rack (also referred to as a "cabinet") is a vertical framework used to house and organize servers, network equipment and other IT hardware. See, generally, <https://www.equinix.com/products/data-center-services/colocation/cages-cabinets> (last visited May 27, 2025).

³⁵ See *supra* note 12.

options exchanges that offer a trading floor.³⁶

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On July 18, 2025, the Exchange issued an alert to announce the proposed Trading Floor non-transaction fees.³⁷

2. Statutory Basis

The Exchange believes that the proposed fees are consistent with Section 6(b) of the Act³⁸ in general, and furthers the objectives of Section 6(b)(4) of the Act³⁹ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among Floor Participants, non-Members and other persons using the Trading Floor or any facility or system thereof, which the Exchange operates or controls. The Exchange also believes the proposed fees further the objectives of Section 6(b)(5) of the Act⁴⁰ in that they are designed to promote just and equitable principles of trade, 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 and are not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

Application and Initiation Fee (One-Time)

The Exchange believes the proposed one-time application and initiation fees are reasonable, equitable and not unfairly discriminatory because they are one-time fees that are reasonably related to (and designed to recover) the Exchange's anticipated cost associated with reviewing and approving applications for prospective Floor Brokers and Floor Market Makers. This review and approval consists primarily of the time and resources of Exchange personnel to process the application and

conduct the on-boarding process applicable to Floor Participants. The Exchange's process to review and approve new Floor Participants involves several steps and participation from personnel in multiple Exchange departments, as follows: (i) reviewing prospective Floor Participant information provided in various membership forms, including, when necessary, consulting with the Financial Industry Regulatory Authority ("FINRA") pursuant to the Exchange's regulatory services agreement;⁴¹ (ii) the on-boarding process, where Exchange personnel contacts the firm for an introductory meeting with the Exchange's Business Team to discuss goals, answer questions and schedule the technical on-boarding meeting; (iii) the technical on-boarding meeting, where the Exchange's on-boarding team and Trading Operations Team guides the firm through the on-boarding process with Exchange personnel available to discuss Trading Floor functionality and operational issues; and (iv) follow-ups with the Trading Operations Team to coordinate testing and Trading Floor desk setup, as necessary, until the applicant becomes an active Floor Participant.⁴²

Unlike the application and review process for the Exchange's electronic Members, the application and review process for market participants of the Trading Floor also requires the Exchange's on-boarding team and Trading Operations team to review registrations for all clerks that are employed by Floor Participants. Each Floor Broker is required to disclose to the Exchange in detail, on an annual basis, the specific nature of such additional functions (other than clerical or ministerial) being performed by each clerk and each Floor Broker must submit to the Exchange written supervisory procedures in relation to such clerk's activities, which require review and approval by the Exchange.⁴³ The Exchange believes that the higher application and initiation fee for Floor Participants as compared to electronic Exchange Members is reasonable, equitably allocated and not unfairly discriminatory because, in part, of the additional review work for all on-Floor personnel, as well as physically helping

each firm set up their desks and office space on the Trading Floor.⁴⁴

As a self-regulatory organization, MIAX Sapphire's Membership Team will review applicants to ensure that each applicant meets the Exchange's qualification criteria prior to approval as a Floor Participant. The Membership Team, in conjunction with the regulatory department, reviews the registration and qualification of an applicant's associated persons and clerks, the applicant's financial health, the validity of its clearing relationship, and its disciplinary history. The Membership Team also provides ongoing support to Floor Participants with respect to membership changes, registration, and other questions that commonly arise from Floor Participants regarding such matters. The Exchange believes that it is reasonable to charge the one-time application and initiation fees to Floor Brokers and Floor Market Makers in order to cover anticipated costs of administering its Trading Floor membership program. The Exchange believes that the proposed one-time application and initiation fees for Floor Brokers and Floor Market Makers are reasonable because the proposed fees are lower than the one-time application fees assessed by at least one other equity options exchange that offers a trading floor.⁴⁵

The Exchange believes the proposed one-time application and initiation fees are equitably allocated and not unfairly discriminatory because the Exchange proposes to assess the same fee for each application by Floor Brokers and Floor Market Makers. The Exchange notes that at least one other equity options exchange that operates a trading floor assesses the same fee, regardless of the type of floor member (*i.e.*, floor broker or floor market maker).⁴⁶

The Exchange believes it is reasonable to waive the one-time application and initiation fees for Floor Brokers and Floor Market Makers for the Initial Waiver Period to provide an incentive for market participants to apply for Trading Floor membership in connection with the launch of the MIAX Sapphire Trading Floor. The Exchange believes waiving the one-time application and initiation fees are reasonable, equitable and not unfairly discriminatory because the waiver will apply uniformly to all prospective Floor Brokers and Floor Market Makers. The Exchange also believes that the fee

³⁶ See NYSE Arca and NYSE American Connectivity Fee Schedule, last updated April 24, 2025, available at https://www.nyse.com/publicdocs/nyse/Wireless_Connectivity_Fees_and_Charges.pdf (assessing an initial fee of \$2,500 per 8-rack unit of a partial cabinet and monthly fees of \$1,500 or \$2,700 for each 8-rack unit of a partial cabinet based on 1 or 2 kilowatt usage, respectively). The Exchange does not propose to separately charge for power usage at this time. See also PHLX Rules, General 8 Connectivity, Section 1(d), Additional Charges/Services (assessing a cabinet caging fee of \$3,300 per month and a cabinet equipment storage fee of \$550 per month, as well as installation fees that are "installation specific").

³⁷ See MIAX Sapphire Options Exchange Alert—Updated Summary of Proposed Trading Floor Non-transaction Fees dated July 18, 2025, available at <https://www.miaxglobal.com/alert/2025/07/18/miax-sapphire-options-exchange-updated-summary-proposed-trading-floor-non?nav=all>.

³⁸ 15 U.S.C. 78f(b).

³⁹ 15 U.S.C. 78f(b)(4).

⁴⁰ 15 U.S.C. 78f(b)(5).

⁴¹ See Securities Exchange Act Release No. 98746 (October 13, 2023), 88 FR 72116 (October 19, 2023) (File No. 10-240), Exhibit L (describing the Exchange's proposed regulatory program, including regulatory services agreement with FINRA).

⁴² See, generally, the Exchange's Membership and Technical Onboarding process and forms, available at <https://www.miaxglobal.com/markets/us-options/sapphire-options/membership>.

⁴³ See Exchange Rule 2055(d).

⁴⁴ See Fee Schedule, Section 3(a) (assessing one-time membership application fees of \$500 for EEMs and \$1,000 for electronic Market Makers).

⁴⁵ See *supra* note 13.

⁴⁶ See *supra* note 13.

waiver may provide an incentive for market participants interested in becoming Floor Brokers and Floor Market Makers to submit early applications, which may result in increased potential order flow and liquidity as MIAX Sapphire begins Trading Floor operations.

At launch of the Trading Floor and for a limited time, the Exchange anticipates having a smaller number of Floor Brokers and Floor Market Makers as compared to other equity options exchanges that operate trading floors, which are more established.⁴⁷ The Exchange also notes that it will not seek to recoup any of the actual costs associated with reviewing Trading Floor applications that will take place from the launch of Trading Floor operations through the expiration of the Initial Waiver Period, which will likely be in excess of five months. By the completion of the Initial Waiver Period, the Exchange anticipates the majority of Floor Participants will have already completed their applications and onboarding as new Floor Participants, all of whom will not pay the one-time application and initiation fees.⁴⁸ This means that the Exchange will likely not collect the majority of Floor Participant application and initiation fees. The

⁴⁷ The Exchange notes that other exchanges do not break out their membership lists by trading floor participants and electronic participants; however, these exchanges have more members than MIAX Sapphire, which only began operations in August 2024. See, e.g., Cboe Form 1 Amendment, Exhibit M, filed April 22, 2025, available at <https://www.sec.gov/Archives/edgar/vpr/2500/25000132.pdf> (providing an updated list of Cboe members and sponsored participants totaling 227, which includes firms counted multiple times for multiple business lines). The Exchange, on the other hand, has 39 EEMs and Market Makers (including firms counted multiple times for multiple business lines). See MIAX Sapphire Options Exchange Member Directory, modified March 2025, available at https://www.miaxglobal.com/miax_sapphire_exchange_members.pdf (last visited May 27, 2025).

⁴⁸ As noted by the Exchange's affiliate when it filed to introduce a one-time membership application fee, MIAX Emerald had 35 members that became members during the period of time that the one-time membership application fee was waived, which are fees MIAX Emerald will not be able to recoup. See Securities Exchange Act Release No. 91030 (February 1, 2021), 86 FR 8465 (February 5, 2021) (SR-EMERALD-2021-01) ("[MIAX Emerald] currently has 35 Members, all of whom did not pay the one-time membership application fee, as it was waived for the Waiver Period when these firms all became Members of the Exchange. Further, the majority of firms that are Members of the Exchange's affiliate options exchanges, MIAX and MIAX PEARL, also became Members of those exchanges during similar Waiver Periods for the MIAX and MIAX PEARL one-time membership application fees. Accordingly, the Exchange (and MIAX and MIAX PEARL) have assumed approximately 100% of the costs associated with processing membership applications for the majority of Member firms approved by the Exchange, MIAX, and MIAX PEARL.").

Exchange believes it will assume approximately 100% of the anticipated costs associated with processing Floor Participant applications for the majority of Floor Participants approved by the Exchange (similar to MIAX, MIAX Pearl, and MIAX Emerald for their electronic member applications).⁴⁹ Accordingly, the Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to waive the one-time application and initiation fees during the Initial Waiver Period to attract Floor Participants. The proposed one-time application and initiation fees are not designed to be a profit center for the Exchange. Once the Exchange has onboarded its anticipated Floor Participants prior to the expiration of the Initial Waiver Period, the proposed one-time application and initiation fees are designed to recover some of the anticipated costs on a going-forward basis for new Floor Participants.

Although the Exchange proposes to waive the one-time application and initiation fees for the Initial Waiver Period, the Exchange proposes to include the proposed fee structure and amounts in the Fee Schedule in order to communicate its intent to charge the one-time application and initiation fees to Floor Brokers and Floor Market Makers upon the expiration of the defined term of the Initial Waiver Period. As a new entrant to floor trading operations, the Exchange chooses not to charge for new Floor Participants to join the Trading Floor until the expiration of the Initial Waiver Period to encourage market participants to trade on the Exchange and experience the quality of the Exchange's technology and trading functionality. This practice is not uncommon. New exchanges often do not charge fees or charge lower fees for certain services such as memberships/trading permits to attract order flow to an exchange, and later, once there is sufficient depth and breadth of liquidity, amend their fees to reflect the true value of those services, absorbing all costs to provide those services in the meantime. Allowing new exchange entrants time to build and sustain market share through various pricing incentives, before establishing membership fees, encourages market entry and promotes competition. It also enables new exchanges to mature their markets and allow market participants to trade on the new exchanges without membership fees serving as a potential barrier to attracting memberships and order flow. The waiver is also a protection to new Floor Participants. Prior to the expiration of the Initial

⁴⁹ See *id.*

Waiver Period, if prospective Floor Participants are initiated to trade on the Trading Floor but subsequently decide that they do not want to continue trading on the MIAX Sapphire Trading Floor, they can cancel their Trading Floor membership without having incurred the one-time application and initiation fees.

Participant Fees

The Exchange believes the proposed monthly participant fees for Floor Brokers and Floor Market Makers are reasonable, equitable and not unfairly discriminatory because the proposed fees are lower than the participant fees assessed by at least one other equity options exchange that offers a trading floor.⁵⁰ The Exchange believes the proposed monthly participant fees are equitably allocated and not unfairly discriminatory because the Exchange proposes to assess the same fee to Floor Brokers and Floor Market Makers.

Although the Exchange proposes to waive the participant fees for the Initial Waiver Period, the Exchange proposes to include the proposed fee structure and amounts in the Fee Schedule in order to communicate its intent to charge such fees to Floor Brokers and Floor Market Makers upon the expiration of the defined term of the Initial Waiver Period. As a new exchange entrant, the Exchange chooses not to charge certain fees to new Floor Participants to join the Trading Floor until the expiration of the Initial Waiver Period to encourage market participants to trade on the Exchange and experience the quality of the Exchange's technology and trading functionality. This practice is not uncommon. New exchanges often do not charge fees or charge lower fees for certain services to attract order flow to an exchange, and later, once there is sufficient depth and breadth of liquidity, amend their fees to reflect the true value of those services, absorbing all costs to provide those services in the meantime. Allowing new exchange entrants time to build and sustain market share through various pricing incentives, before establishing membership fees, encourages market entry and promotes competition. It also enables new exchanges to mature their markets and allow market participants to trade on the new exchanges without membership fees serving as a potential barrier to attracting memberships and order flow. The waiver is also a protection to new Floor Participants. Prior to the expiration of the Initial Waiver Period, if prospective Floor Participants are initiated to trade on the

⁵⁰ See *supra* note 15.

Trading Floor but subsequently decide that they do not want to continue trading on the MIAX Sapphire Trading Floor, they can cancel their Trading Floor membership without having incurred any participant fees. The Exchange believes waiving the monthly participant fee is reasonable, equitable and not unfairly discriminatory because the waiver will apply uniformly to all new Floor Brokers and Floor Market Makers.

Trading Permit Fees

The Exchange believes its proposed monthly Trading Permit fees for Floor Brokers are reasonable because they are lower than the trading permit fees assessed to floor brokers of at least one other equity options exchange that offers a trading floor,⁵¹ and are equal to the trading permit fees assessed to floor brokers of at least one other equity options exchange that offers a trading floor.⁵² MIAX Sapphire's proposed Trading Permit fees for Floor Market Makers are lower than the trading permit fees for floor market makers of at least one other equity options exchange that offers a trading floor.⁵³

Further, the Exchange believes that the proposal is reasonably designed to allow the Exchange to compete with other options exchanges that offer floor trading by incentivizing Floor Participants to register as Floor Brokers and Floor Market Makers in a manner that enables the Exchange to improve its overall competitiveness and strengthen market quality for all market participants upon launch of the Trading Floor.

The Exchange believes it is reasonable to assess Trading Permit fees to each Floor Market Maker as compared to the proposed Trading Permit fee structure for Floor Brokers (*i.e.*, one fee per firm) because the Trading Floor is not an unlimited space. Each on-Floor person is required to have a desk, which physically takes up space. The Exchange determined to charge Floor Brokers on a per firm basis and allocate more space for Floor Brokers to encourage Floor Brokers to bring QFO and cQFO volume to the Trading Floor. The Exchange believes this will encourage the role performed by Floor Brokers in facilitating the execution of orders on the Trading Floor, a function that the Exchange wishes to support for the benefit of all market participants. The Exchange believes this fee structure will incentivize Floor Broker liquidity while balancing and recognizing the

importance of Floor Market Makers to make markets on the Exchange's Trading Floor and interact with the orders brought to the Trading Floor for execution by Floor Brokers. More liquidity should benefit all Floor Participants by providing more trading opportunities, offering a more competitive venue for order execution, thus improving market quality for all market participants.

The Exchange also believes its proposal to provide an initial Trading Permit fee waiver for Floor Market Makers and Floor Brokers that execute a certain percentage of ADV is reasonable because the volume requirement is low. The Exchange believes that the majority, if not all, Floor Market Makers and Floor Brokers will achieve the proposed ADV requirement and will have their Trading Permit fees waived for the initial month the Trading Floor launches operations and the five months thereafter. The Exchange believes this fee structure is also designed to encourage liquidity on the Trading Floor while the Trading Floor begins to operate, which may enhance competition by encouraging additional order flow and liquidity, thereby benefiting all Floor Participants.

The Exchange believes the proposed Trading Permit fees are equitable and not unfairly discriminatory as the fees will apply equally to all Floor Brokers and Floor Market Makers, respectively. The Exchange proposes to assess one monthly Trading Permit fee to each firm for all of the firm's registered Floor Brokers, instead of charging each Floor Broker an individual Trading Permit fee. The Exchange also proposes to assess each Floor Market Maker the same monthly Trading Permit fee, regardless of the number of class appointments.

Although the Exchange proposes to waive the Trading Permit fees if a Floor Broker or Floor Market Maker reaches a certain ADV in the relevant month, the Exchange proposes to establish an initial fee structure to communicate the Exchange's intent to charge Trading Permit fees after February 2026. As a new exchange entrant with a new Trading Floor, the Exchange chooses to offer Trading Permits for free to Floor Participants that execute a low amount of volume in order to encourage Floor Participants to trade on the Trading Floor and experience, among other things, the quality of the Exchange's technology and trading functionality. This practice is not uncommon.⁵⁴ New exchanges often do not charge fees or charge lower fees for certain services such as memberships and trading

permits to attract order flow to an exchange, and later amend their fees to reflect the true value of those services, absorbing all costs to provide those services in the meantime. Allowing new exchange entrants time to build and sustain market share through various pricing incentives before increasing certain fees encourages market entry and promotes competition. It also enables new exchanges to mature their markets and allow market participants to trade on the new exchanges without fees serving as a potential barrier to attracting memberships and order flow.⁵⁵ The Exchange notes at least one other exchange that operates a trading floor provides an even lower volume threshold in order for its floor brokers to receive a trading permit fee credit that essentially makes their trading permit fees free for the particular month.⁵⁶

Desk and Badge Fees

The Exchange believes that the proposed monthly desk fee is reasonable as it is the same as a similar fee charged at another exchange that operates a physical trading floor.⁵⁷ Further, the Exchange believes that the proposed desk fee is equitable and not unfairly discriminatory because it applies uniformly to all on-Floor personnel employed by or associated with a Floor Market Maker or Floor Broker Participants. The desk fee provides for the equitable allocation of reasonable fees among Floor Participants by requiring Floor Participants that need more space to pay more by utilizing more desks, instead of raising the fees for all Floor Participants, including those that may not need additional desks and space.⁵⁸ The new Trading

⁵⁵ See *e.g.*, Securities Exchange Act Release Nos. 94894 (May 11, 2022), 87 FR 29987 (May 17, 2022) (SR-BOX-2022-17) (stating, "[t]he Exchange established this lower (when compared to other options exchanges in the industry) Participant Fee in order to encourage market participants to become Participants of BOX . . ."); 90076 (October 2, 2020), 85 FR 63620 (October 8, 2020) (SR-MEMX-2020-10) ("MEMX membership fee proposal") (proposing to adopt the initial fee schedule and stating that "[u]nder the initial proposed Fee Schedule, the Exchange proposes to make clear that it does not charge any fees for membership, market data products, physical connectivity or application sessions."); 93927 (January 7, 2022), 87 FR 2191 (January 13, 2022) (SR-MEMX-2021-19) (proposing to adopt membership fees); 95299 (July 15, 2022), 87 FR 43563 (July 21, 2022) (SR-MEMX-2022-17) (proposing to adopt fees for connectivity); and No. 88211 (February 14, 2020), 85 FR 9847 (February 20, 2020) (SR-NYSE-NAT-2020-05).

⁵⁶ See *supra* note 21.

⁵⁷ See *supra* note 26.

⁵⁸ The Exchange notes that amount of space for each desk is the same for all Floor Participants, regardless of whether they are a Floor Market Maker or Floor Broker.

⁵¹ See *supra* note 22.

⁵² See *supra* note 23.

⁵³ See *supra* note 24.

⁵⁴ See *supra* note 21.

Floor, while offering a large space,⁵⁹ is not unlimited. Because Floor Market Maker desks are integrated in the Trading Floor, the more physical space occupied by a single Floor Market Maker firm (e.g. multiple desks) means less physical space for other Floor Market Makers to participate in the Crowd Area. Thus, the Exchange believes the proposed fees reflect this reality and will encourage efficient use of space by all Floor Participants.

The Exchange believes the proposed badge fee is reasonable, equitably allocated and not unfairly discriminatory because the Exchange will use badges to identify all registered on-Floor personnel. This helps the Exchange promote safety and security on the Trading Floor by ensuring that only validly registered Floor Brokers, Floor Market Makers and their employees or associates (i.e., Clerks) are actually on the Trading Floor at all times. Accordingly, the Exchange believes that it is reasonable, equitably allocated and not unfairly discriminatory to assess a modest badge fee for these purposes.

The Exchange believes the proposed desk and badge fees are reasonable because they will be assessed to firms for the space they utilize and incentivize Floor Participants to use their space efficiently in how much desk space they utilize as well as number of on-Floor persons that are employed by each Floor Broker and Floor Market Maker. Floor Brokers utilize their desk space to communicate with customers, take orders, and coordinate covering the Trading Floor to announce such orders into the crowd area. The Exchange believes the proposed fees are reasonable because they are designed to reflect the differing business needs of each Floor Broker and Floor Market Maker while offering each firm some flexibility in setting up their desk space consistent with their particular business models/commercial preferences.

The Exchange believes it is reasonable to waive the desk and badge fees for the Initial Waiver Period to provide an incentive for market participants to become Floor Participants in connection with the launch of the MIAX Sapphire Trading Floor. The Exchange believes waiving the desk and badge fees is reasonable, equitable and not unfairly

discriminatory because the waiver will apply uniformly to all on-Floor personnel employed by or associated with new Floor Brokers and Floor Market Makers.

Remote Services Fees

The Exchange believes that the proposed remote services fees are reasonable, equitable and not unfairly discriminatory because they will be assessed equally to all Floor Participants that request technical support at the Trading Floor data center, on the Trading Floor, as well as for offices on the Trading Floor, at the proposed hourly rates. The Exchange believes the proposed expedited service fee is reasonable because it is designed to encourage Floor Participants to minimize “rush” jobs and encourage efficient use of the Exchange’s employees’ time and resources. The proposed remote services fees is equal to the technical support request fee that the Exchange charges Members of its electronic market for remote assistance at the Exchange’s data centers for electronic trading.⁶⁰ MIAX Sapphire’s proposed remote services fees are similar to remote and technical service request fees assessed by at least one other equity options exchange that offers a trading floor.⁶¹

Shipping and Storage Fee

The Exchange believes the proposed shipping and storage fee is reasonable because it is designed to recoup some of the personnel, administrative and security costs incurred by the Exchange for receiving and storing equipment that belongs to Floor Participants. Prospective Floor Participants have already informed the Exchange that they intend to ship certain equipment to be used on the Trading Floor and for the Trading Floor data center directly to the Exchange and have requested storage of that equipment. The Exchange was also informed by prospective Floor Participants that they would like the Exchange to store their backup equipment on an indefinite basis. Accordingly, the Exchange believes the proposed fee is reasonable to recover the initial and on-going costs of storing equipment for Floor Participants.

The Exchange also believes the proposed shipping and storage fee is equitably allocated and not unfairly discriminatory because the proposed fee will apply uniformly to all Floor Participants for each conforming shipment that is sent to the Exchange for storage. The proposed fee is also

similar to the shipping fee assessed by at least one other equity options exchanges that offers a trading floor.⁶²

Data Center Hosting Fees

The Exchange believes the proposed one-time and monthly data center hosting fees are reasonable because they are similar to the fees assessed by other equity options exchanges that offer data center services based on cabinet or rack space and operate a trading floor.⁶³ Floor Participants will have their own servers, network equipment and other IT hardware equipment installed within the 545Wyn Data Center, which will require an initial setup for a one-time fee, as well as on-going space and power. The proposed monthly data center hosting fees are intended to offset some of these costs on a flat, monthly rate as compared to other exchanges that assess similar fees plus fees for power utilized within their data centers. The Exchange also believes the proposed data center hosting fees are equitably allocated and not unfairly discriminatory because the proposed fees will apply uniformly to all Floor Participants based on the number of 9-rack unit bays being utilized.

The Exchange believes it is reasonable to waive data center hosting fees for the Initial Waiver Period to provide an incentive for market participants to become Floor Participants in connection with the launch of the MIAX Sapphire Trading Floor. The Exchange believes waiving the data center hosting fees are reasonable, equitable and not unfairly discriminatory because the waiver will apply uniformly to all Floor Participants, regardless of the number of 9-rack unit bays being utilized for their equipment.

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 that is not necessary or appropriate in furtherance of the purposes of the Act.

Intra-Market Competition

One-Time Application and Initiation Fees

The Exchange believes the proposed one-time application and initiation fees will not result in any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed one-time application and initiation fees for Floor Brokers and Floor Market Makers are lower than, or comparable to, the

⁵⁹ See MIAX Press Release—Miami International Holdings Announces New MIAX Sapphire Options Trading Floor to be Located in Wynwood District of Miami; 38,400 Square Foot Facility will Include Office Space for MIAX Employees and Market Participants, dated December 4, 2023, available at https://www.miaxglobal.com/sites/default/files/alert-files/MIAX_Press_Release_12042023.pdf.

⁶⁰ See *supra* note 28.

⁶¹ See *supra* note 29.

⁶² See *supra* note 31.

⁶³ See *supra* note 36.

one-time application fees assessed by other equity options exchanges that offer a trading floor.⁶⁴ Further, the Exchange proposes to waive the one-time application and initiation fees for the Initial Waiver Period, which the Exchange believes will provide an incentive for market participants interested in becoming Floor Participants to submit early applications, resulting in increased potential order flow and liquidity as the Trading Floor begins to operate, thereby promoting competition.

Participant Fees

The Exchange believes the proposed participant fee will not result in any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act because it is not designed to address a competitive issue. The Exchange believes that establishing a flat monthly participant fee that is the same for both Floor Brokers and Floor Market Makers will not result in any burden on intra-market competition. At least one other exchange that operates a trading floor charges a similar type of monthly fee at a higher rate.⁶⁵ Further, the Exchange proposes to waive the participant fees for the Initial Waiver Period, which the Exchange believes will provide an incentive for market participants interested in becoming Floor Participants to submit early applications, resulting in increased potential order flow and liquidity as the Trading Floor begins to operate, thereby promoting competition.

Trading Permit Fees

The Exchange believes the proposal to charge Floor Brokers on a per firm basis but not Floor Market Makers does not impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange believes its proposal does not impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act because the Trading Floor is not an unlimited space. Each on-Floor person is required to have a desk, which physically takes up space. The Exchange determined to charge Floor Brokers on a per firm basis and allocate more space for Floor Brokers to encourage Floor Brokers to bring QFO and cQFO volume to the Trading Floor. The Exchange believes this will encourage the role performed by Floor Brokers in facilitating the execution of

orders on the Trading Floor, a function that the Exchange wishes to support for the benefit of all market participants. The Exchange believes this fee structure will incentivize Floor Broker liquidity while balancing and recognizing the importance of Floor Market Makers to make markets on the Exchange's Trading Floor and interact with the orders brought to the Trading Floor for execution by Floor Brokers. More liquidity should benefit all Floor Participants by providing more trading opportunities, offering a more competitive venue for order execution, thus improving market quality for all market participants.

The Exchange believes the proposal to waive the Trading Permit fees if a Floor Broker or Floor Market Maker achieves a certain ADV in the relevant month does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because the Exchange believes it set a reasonably low volume threshold (*i.e.*, 100 contracts ADV) for Floor Participants to achieve in order to have their Trading Permit fees waived. The Exchange believes it set a low enough volume threshold that the majority, if not all, Floor Brokers and Floor Market Makers will be able to achieve, while also implementing a fee structure designed to encourage liquidity on the Trading Floor while the Trading Floor begins to operate. The Exchange believes that this may enhance competition by encouraging additional order flow and liquidity, thereby benefiting all Floor Participants. The Exchange notes at least one other exchange that operates a trading floor provides an even lower volume threshold in order for its floor brokers to receive a trading permit fee credit that essentially makes their trading permit fees free for the particular month.⁶⁶

As a new exchange entrant with a new Trading Floor, the Exchange chooses to offer Trading Permits for free to Floor Participants that execute a low amount of volume in order to encourage Floor Participants to trade on the Trading Floor and experience, among other things, the quality of the Exchange's technology and trading functionality. This practice is not uncommon.⁶⁷ New exchanges often do not charge fees or charge lower fees for certain services such as memberships and trading permits to attract order flow to an exchange, and later amend their fees to reflect the true value of those services, absorbing all costs to provide

those services in the meantime. Allowing new exchange entrants time to build and sustain market share through various pricing incentives before increasing certain fees encourages market entry and promotes competition. It also enables new exchanges to mature their markets and allow market participants to trade on the new exchanges without fees serving as a potential barrier to attracting memberships and order flow.⁶⁸

Desk and Badge Fees

The Exchange believes the proposed desk and badge fees will not result in any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed desk fee is the same as a similar fee charged at another exchange with a physical trading floor.⁶⁹ Further, the proposed desk fee will apply uniformly to all on-Floor personnel employed by or associated with a Floor Market Maker or Floor Broker. The proposed desk fee will not result in any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act because the new Trading Floor, while offering a large space, is not unlimited. Because Floor Market Maker desks are integrated in the Trading Floor, the more physical space occupied by a single Floor Market Maker firm (*e.g.*, multiple desks) means less physical space for other Floor Market Makers to participate in the Crowd Area. Thus, the Exchange believes the proposed fees reflect this reality and will encourage efficient use of space by all Floor Participants.

The Exchange believes the proposed desk and badge fee structure, including waiver of the such fees for the Initial Waiver Period, will not result in any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act because this will provide an incentive for prospective Floor Participants to register and become Floor Participants of the Trading Floor sooner. In turn, the Exchange believes this may encourage potential order flow and additional liquidity providers as the Trading Floor begins operations, which may benefit all market participants of the Trading Floor.

Remote Services Fees

The Exchange believes that the proposed remote services fees will not result in any burden on intra-market competition that is not necessary or

⁶⁴ See *supra* note 13.

⁶⁵ See *supra* note 15.

⁶⁶ See *supra* note 21.

⁶⁷ See *supra* note 12.

⁶⁸ See *supra* note 55.

⁶⁹ See *supra* note 26.

appropriate in furtherance of the purposes of the Act because the proposed fee is not intended to address a competitive issue; rather, the proposed fee is intended to cover the cost associated with Floor Participants that request technical support at the Trading Floor data center, on the Trading Floor, as well as offices on the Trading Floor. The Exchange believes the proposed expedited service fee will not result in any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act because it is designed to encourage Floor Participants to minimize “rush” jobs and encourage efficient use of the Exchange’s employee time and resources. The proposed \$250 remote services fee is equal to the technical support request fee that the Exchange charges Members of its electronic market for remote assistance at the Exchange’s data centers for electronic trading.⁷⁰ MIAX Sapphire’s proposed remote services fees are similar to remote and technical service request fees assessed by at least one other equity options exchange that offers a trading floor.⁷¹

Shipping and Storage Fee

The Exchange believes that the proposed shipping and storage fee will not result in any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed fee is not intended to address a competitive issue; rather, the proposed fee is intended to recoup some of the personnel, administrative and security costs incurred by the Exchange for receiving and storing equipment that belongs to Floor Participants. Prospective Floor Participants have already informed the Exchange that they intend to ship certain equipment to be used on the Trading Floor and for the Trading Floor data center directly to the Exchange and have requested storage of that equipment. The Exchange was also informed by prospective Floor Participants that they would like the Exchange to store their backup equipment on an indefinite basis. Accordingly, the Exchange believes the proposed fee will not result in any burden on intra-market competition and will apply uniformly to all Floor Participants for each conforming shipment that is sent to the Exchange for storage. The proposed fee is also

similar to the shipping fee assessed by at least one other equity options exchanges that offers floor trading.⁷²

Data Center Hosting Fees

The Exchange believes that the proposed data center hosting fees will not result in any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed fees are similar to the fees assessed by other equity options exchanges that offer data center services and charge fees based on cabinet or rack space utilized and operate a trading floor.⁷³ Floor Participants will install their own equipment within the 545Wyn Data Center, which will require an initial setup, as well as on-going space and power to be paid for by the Exchange. The proposed monthly data center hosting fees are intended to offset some of these costs on a flat, monthly rate as compared to other exchanges that assess similar fees based on power utilized within their data centers. The proposed data center hosting fees will apply uniformly to all Floor Participants based on the number of 9-rack unit bays being utilized.

The Exchange believes that waiving data center hosting fees for the Initial Waiver Period will not result in any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act because the fee waiver is intended to provide an incentive for market participants to become Floor Participants in connection with the launch of the MIAX Sapphire Trading Floor.

Inter-Market Competition

The Exchange believes that the proposed changes will not result in any burden on inter-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that market participants have the choice to trade on the Exchange’s Trading Floor, electronic platform, or not trade on the Exchange at all. The Exchange believes that all of the proposed non-transaction fees will not cause any burden on inter-market competition because none of the proposed fees are intended to impact the ability to compete of other exchanges’ that offer a trading floor for equity options.

Accordingly, the Exchange does not believe its proposed fee changes impose any burden on competition that is not

necessary or appropriate in furtherance of the purposes of the Act.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act,⁷⁴ and Rule 19b-4(f)(2)⁷⁵ thereunder. 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.

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. Please include file number SR-SAPPHIRE-2025-37 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-SAPPHIRE-2025-37. 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 filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal

⁷⁰ See Fee Schedule, Section 5)f).

⁷¹ See NYSE Arca Connectivity Fee Schedule, page 18 (assessing a fee of \$100 per half hour for hot hands service in the data centers and an expedite fee of \$4,000 per request for installation/completion of a user’s co-location service).

⁷² See *supra* note 31.

⁷³ See *supra* note 36.

⁷⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

⁷⁵ 17 CFR 240.19b-4(f)(2).

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–SAPPHIRE–2025–37 and should be submitted on or before October 14, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷⁶

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104001; File No. SR–FICC–2025–015]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Amendment No. 1, and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To Modify the GSD Rulebook Relating to Default Management and Porting With Respect to Indirect Participant Activity

September 18, 2025.

On June 6, 2025, Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR–FICC–2025–015 pursuant to Section 19(b) of the Securities Exchange Act of 1934 (“Exchange Act”) ¹ and Rule 19b–4 ² thereunder to modify FICC’s Government Securities Division (“GSD”) Rulebook to enhance and clarify FICC’s default management rules as they apply to the Sponsored Service and Agent Clearing Service, and to facilitate the porting of indirect participant activity from one intermediary Netting Member to another intermediary Netting Member (“Proposed Rule Change”). The Proposed Rule Change was published for public comment in the **Federal Register** on June 23, 2025.³ The Commission has received comments

regarding the substance of the changes proposed in the Proposed Rule Change.⁴

On July 31, 2025, pursuant to Section 19(b)(2) of the Exchange Act,⁵ the Commission designated a longer period within which to approve, disapprove, or institute proceedings to determine whether to approve or disapprove the Proposed Rule Change.⁶ On September 16, 2025, FICC filed Amendment No. 1 to the Proposed Rule Change, as described in Items I and II below, which Items have been prepared primarily by FICC.

The Commission is publishing notice to solicit comments on the Proposed Rule Change, as modified by Amendment No. 1, and is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act,⁷ to determine whether to approve or disapprove the Proposed Rule Change, as modified by Amendment No. 1.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change, as Modified by Amendment No. 1

On June 6, 2025, FICC filed with the Commission a proposal ⁸ to modify the rulebook of its Government Securities Division (“Rules”) ⁹ relating to default management and porting with respect to Indirect Participant Activity. On July 14, 2025, the Futures Industry Association (“FIA”) and the International Swaps and Derivatives Association, Inc. (“ISDA”) each submitted comment letters to the Proposed Rule Change.¹⁰ Based on comments made in the Comment Letters and following further review of the Proposed Rule Change, FICC is now filing this Amendment No. 1. As described in greater detail below, this Amendment No. 1 would modify the Proposed Rule Change to (1) describe in the Rules two additional mechanisms available to Sponsoring Members and Agent Clearing Members to liquidate done-with and done-away Sponsored Member Trades and Agent

⁴ Comments on the Proposed Rule Change are available at <https://www.sec.gov/comments/sr-ficc-2025-015/srficc2025015.htm>.

⁵ 15 U.S.C. 78s(b)(2).

⁶ Securities Exchange Act Release No. 103557 (July 28, 2025), 90 FR 36088 (July 31, 2025) (File No. SR–FICC–2025–015).

⁷ 15 U.S.C. 78s(b)(2)(B).

⁸ *Supra* note 3.

⁹ Terms not defined herein are defined in the Rules, available at www.dtcc.com/legal/rulesand-procedures.aspx, or in the Proposed Rule Change, *id.*

¹⁰ Letter from Allison Lurton, General Counsel and Chief Legal Officer, The Futures Industry Association (July 14, 2025) (“FIA Letter”); Letter from Katherine Darras, General Counsel, International Swaps and Derivatives Association (July 14, 2025) (“ISDA Letter”, together with the FIA Letter, “Comment Letters”).

Clearing Transactions, respectively, of their Indirect Participants: (i) recording an offsetting trade in its Indirect Participants Account, or (ii) instructing FICC to transfer Sponsored Member Trades or Agent Clearing Transactions to a Proprietary Account; (2) amend the existing liquidation mechanism available to Sponsoring Members, which, as described in Section 18 of Rule 3A (which would be re-numbered Section 16 under the Proposed Rule Change), currently allows a Sponsoring Member to liquidate all, but not fewer than all, of the Sponsored Member’s done-with Sponsored Member Trades, to permit Sponsoring Members to liquidate some or all of the Sponsored Member’s done-with Sponsored Member Trades; (3) revise proposed Section 14(d)(ii) of Rule 3A, which would expand the disclosures regarding the close-out of Sponsored Member Trades after FICC ceases to act for a Sponsoring Member, to clarify that, with respect to any amount due to a Sponsored Member, FICC would make such payment to or directed by the Sponsoring Member or its trustee or received, rather than limit such statement to only amounts due to Segregated Indirect Participants; (4) remove the ability for FICC to liquidate done-with Agent Clearing Transactions under the liquidation mechanism proposed to be added to Section 9 of Rule 8 in the Proposed Rule Change; (5) clarify that the transfer of transactions of a Defaulting Member’s Indirect Participants by FICC to alternate Sponsoring Member(s) or Agent Clearing Member(s) would occur only in the event FICC ceases to act for a Sponsoring Member or Agent Clearing Member and, further, that the alternate Sponsoring Member(s) or Agent Clearing Member(s) would need to consent to any such transfer; and (6) further expand the disclosures proposed to be added by the Proposed Rule Change to Rule 22A regarding any market action that an Indirect Participant may take following the default of a Sponsoring Member or Agent Clearing Member.

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, as Modified by Amendment No. 1

In its filing with the Commission, the clearing agency 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 clearing agency has prepared

⁷⁶ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ Securities Exchange Act Release No. 103282 (June 17, 2025), 90 FR 26656 (June 23, 2025) (File No. SR–FICC–2025–015) (“Notice of Filing”).