



**DATE:** February 28, 2019

**TO:** MIAX Emerald Members

**FROM:** MIAX Emerald Regulatory Department

**RE:** Enhanced Aggregate Risk Manager Notifications

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As described in MIAX Emerald Rule 612 Interpretations and Policies 02, Enhanced Aggregate Risk Manager Protections, Market Makers may determine to engage any of the following Enhanced Aggregate Risk Manager Protections in the System by notifying the Exchange in the manner required below.

#### **Market Maker Single Class Protection**

A Market Maker may determine to engage the Market Maker Single Class Protection feature for a particular option class in which the Market Maker is appointed. When the Allowable Engagement Percentage in such appointed option class has been equaled or exceeded a specified number of times (not less than three times and not more than 99 times) within a specified time period (each as determined by the Market Maker), the Market Maker Single Class Protection feature will remove the Market Maker's quotations from the Exchange's disseminated quotation in such appointed option class. The Market Maker must contact the Trading Operation Help Desk to reset the Single Class Protection.

#### **Market Maker Aggregate Class Protection**

A Market Maker may determine to engage the Market Maker Aggregate Class Protection feature for all of the Market Maker's appointed option classes. The System will aggregate the specified number of times that the Allowable Engagement Percentage has been equaled or exceeded within the ARM trigger counting period for an entire Market Maker organization. When the Allowable Engagement Percentage has been equaled or exceeded in a specified number of such Market Maker's appointed option classes within the ARM trigger counting period (each as determined by the Market Maker), the Market Maker Aggregate Class Protection feature will remove the Market Maker's quotations from the Exchange's disseminated quotation in all of the Market Maker organization's appointed option classes. The Market Maker must contact the Trading Operation Help Desk to reset the Aggregate Class Protection.

#### **Market Maker Single Side Protection**

A Market Maker may determine to engage the Market Maker Single Side Protection ("SSP") feature by Market Participant Identifier ("MPID"). If the full remaining size of a Market Maker's Standard quote, IOC eQuote, or FOK eQuote, in an individual option, is exhausted by a trade, the System will trigger the SSP. When triggered, the System will cancel all Standard quotes and block all new inbound Standard quotes, IOC eQuotes, and FOK eQuotes, for that particular side of that individual option for that MPID. The System will provide a notification message to the Market Maker and the block will remain in effect until the Market Maker notifies the Exchange by sending a reset message via the MIAX Express Interface.

To reset single or aggregate class protections or questions regarding risk protection features contact Trading Operations at [TradingOperations@MIAXOptions.com](mailto:TradingOperations@MIAXOptions.com) or (609) 897-7302.

Regulatory questions may be directed to [Regulatory@MIAXOptions.com](mailto:Regulatory@MIAXOptions.com) or (609) 897-7309.