



DATE: April 19, 2017

TO: MIAX Options Members

FROM: MIAX Options Regulatory Department

RE: Updated - Amendments to MIAX Options Rule 518, Complex Orders
Complex MIAX Options Price Collar

This MIAX Options Regulatory Circular dated April 19, 2017 (MIAX Option Regulatory Circular 2017-24) updates and supersedes, in its entirety, MIAX Regulatory Circular 2017-14 dated March 20, 2017.

MIAX Options filed with the Securities and Exchange Commission (“Commission”) to establish a new price protection feature, the Complex MIAX Options Price Collar (“MPC”). The MPC prevents complex orders from automatically executing at potentially erroneous prices by establishing a price range outside of which a complex order will not be executed. Accordingly, new Rule 518(c)(1)(iv) states that a complex order or eQuote will not be executed at a price that is outside of its MPC Price or its limit price. For a complete description of the MPC and new Rule, see [SR-MIAX-2017-06](#).

The MPC ensures that a complex order or complex eQuote to sell will not be displayed or executed at a price that is lower than the opposite side Complex National Best Bid and Offer (“cNBBO”) bid at the time the MPC PRICE is established by the System by more than a specific dollar amount expressed in \$0.01 increments (the “MPC Setting”), and under which a complex order or eQuote to buy will not be displayed or executed at a price that is higher than the opposite side cNBBO offer at the time the MPC is assigned by the System by more than the MPC Setting (each the “MPC Price”). **The initial MPC Setting is \$0.25 for all options traded on MIAX Options.**

The MPC Price is established (i) upon receipt of the complex order or eQuote during free trading, or (ii) if the complex order or eQuote is not received during free trading: (A) at the beginning of a Complex Auction; (B) at the opening (or reopening following a halt) of trading in the complex strategy; or (C) upon evaluation of the Strategy Book by the System when a wide market condition, as described in Interpretations and Policies .05(e)(1) to Rule 518, no longer exists. Once established, the MPC Price will not change during the life of the complex order or eQuote.

A complex order or a portion of a complex order that cannot be executed at or within the MPC Price will be placed on the Strategy Book, unless it would otherwise be executed or placed on the Strategy Book at a price that is outside of the MPC Price in which case it will be cancelled. All complex orders and eQuotes are subject to the MPC price protection feature.

The new rule will be implemented beginning Monday, April 24, 2017.

For additional information, please contact Sales@MIAXOptions.com or call (609) 897-8177.

For Regulatory questions, contact the Regulatory Department at Regulatory@MIAXOptions.com or (609) 897- 7309.