



DATE: January 24, 2018

TO: MIAX Options Members

FROM: MIAX Options Regulatory Department

RE: MIAX Options Single Side Protection (“SSP”) Risk Protection Feature

The purpose of this Regulatory Circular is to inform Members of an amendment to Exchange Rule 518, Complex Orders, and Rule 612, Aggregate Risk Manager (ARM), to introduce a new risk protection feature, Single Side Protection (“SSP”), and to make minor non-substantive clarifications to the rule text, ([SR-MIAX-2017-49](#)), which will be implemented on Monday, February 12, 2018.

SSP may be engaged by a Market Maker’s MPID on the simple market. If engaged, 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 that the SSP has been triggered. The block will remain in effect until the Market Maker notifies the Exchange by sending a reset message via the MIAX Express Interface (“SSP Reset”).

Similarly, SSP may be engaged by a Market Maker’s MPID on the complex market. If engaged, if the full remaining size of a Market Maker’s complex Standard quote or cIOC eQuote in a strategy is exhausted by a trade, the System will trigger the SSP for the traded side of the strategy. When triggered, the System will cancel all complex Standard quotes and block all new inbound complex Standard quotes and cIOC eQuotes for that particular side of that strategy for that MPID. The System will provide a notification message to the Market Maker that the SSP has been triggered. The block will remain in effect until the Market Maker notifies the Exchange by sending a reset message via the MIAX Express Interface (“SSP Reset”).

Complete details regarding this change can be found in the Exchange’s rule filing.

Questions may be directed to the Exchange’s Regulatory Department at Regulatory@MIAXOptions.com or (609) 897-7309.