



DATE: January 25, 2018

TO: MIAX Options Members

FROM: MIAX Options Regulatory Department

RE: Adoption of Chapter XVIII, Index Options and Amendment of Certain Existing Rules Relating to Position and Exercise Limits for Cash-Settled Index Options

On Wednesday, September 27, 2017, the Securities and Exchange Commission (“SEC”) approved the Exchange’s proposal to adopt rules relating to the listing and trading of cash-settled index options (Chapter XVIII -- Index Options), as well as to amend certain existing MIAX Options rules relating to position and exercise limits for cash-settled index options. MIAX Options Chapter XVIII, Index Options, will be implemented on MIAX Options on Thursday, February 1, 2018.

The new MIAX Options Chapter XVIII of rules allows the Exchange to introduce and trade both existing and new index products on the MIAX Options System. Because the rules related to trading options on indices are product specific in many areas, the Exchange will file additional proposed rule changes with the SEC when the Exchange identifies specific products, and will announce the implementation date of such products by a subsequent Regulatory Circular.

Additionally, MIAX Options Rules 308, 313, and 700, related to position and exercise limits for cash-settled index options were amended in conjunction with the adoption of Chapter XVIII of rules. Rule 308 sets forth rules that apply to Market Makers seeking an exemption from the established position limits for a cash-settled index option class; Rule 313 governs the restrictions on the exercise of cash-settled index options; and Rule 700 sets forth the process to be followed by Clearing Members and Members when exercising American-style cash-settled index options.

MIAX Options urges all MIAX Options members to review all such changes in their entirety, which can be found in the rule filing, [SR-MIAX-2017-39](#).

Regulatory inquiries should be directed to Regulatory@MIAXOptions.com or (609) 897-7309.