



DATE: August 2, 2018
TO: MIAX Options Members
FROM: MIAX Options Regulatory Department
RE: Implementation of Stock-Option Complex Order Trading on the Exchange

This Regulatory Circular is to inform MIAX Options Members of the implementation of stock-option complex order trading in all classes listed on the Exchange beginning Monday, August 6, 2018.

A stock-option order is an order to buy or sell a stated number of units of an underlying security (stock or Exchange Traded Fund Share (“ETF”)) or a security convertible into the underlying stock (“convertible security”) coupled with the purchase or sale of options contract(s) on the opposite side of the market representing either (i) the same number of units of the underlying security or convertible security, or (ii) the number of units of the underlying stock necessary to create a delta neutral position, but in no case in a ratio greater than eight-to-one (8.00), where the ratio represents the total number of units of the underlying security or convertible security in the option leg to the total number of units of the underlying security or convertible security in the stock leg.

The Exchange is also introducing a new parity price protection for strategies that consist of a sale (purchase) of one call and the purchase (sale) of 100 shares of the underlying stock (“Buy-Write”) or that consist of the purchase (sale) of one put and the purchase (sale) of 100 shares of the underlying stock (“Married-Put”). A Parity Spread Variance of \$.10 will be uniform for all classes on the Exchange and will be used to calculate a minimum option trading price limit that the System will prevent the option leg from trading below.

More information about stock-option order processing and the parity price protection can be found in Exchange Rule 518, Complex Orders.

Please contact MIAX Trading Operations at TradingOperations@MIAXOptions.com or (609) 897-7302 with any questions about stock-option complex order functionality.

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