



DATE: August 20, 2018

TO: MIAX Options Members

FROM: MIAX Options Regulatory Department

RE: Changes to MIAX Options Price Protection Process

The purpose of this Regulatory Circular is to inform MIAX Options Members of a change related to the default settings associated with the price protection process.

Pursuant to MIAX Options Rule 515(c)(1) Price Protection on Non-Market Maker Orders, the System will apply the following price protection process to all non-Market Maker orders received during a trading session. The price protection process prevents an order from being executed beyond the price designated in the order's price protection instructions (the "price protection limit"). The price protection instructions are expressed in units of MPV through the opposite side NBBO at the time of the order's receipt, or the opposite side MBBO if the ABBO is crossed. Market participants may designate price protection instructions on an order by order basis within a minimum and maximum number of MPVs away from the NBBO at the time of receipt, or the MBBO if the ABBO is crossing the MBBO.

If an order does not contain price protection instructions, the Exchange will assign a default price protection instruction, which will be within one (1) to five (5) MPVs away from the NBBO at the time of receipt, or the MBBO if the ABBO is crossing the MBBO, which default price protection instruction shall be determined by the Exchange and announced to Members through a Regulatory Circular.

The current Exchange default value is one (1) Minimum Price Variation ("MPV"). The new Exchange default value will be set to five (5) MPVs. The effective date for the new default value will be announced via a future Regulatory Circular.

For questions regarding the MIAX Options Price Protection process contact Trading Operations at TradingOperations@MIAXOptions.com or (609) 897-7302.

Please direct questions to the Regulatory Department at Regulatory@MIAXOptions.com or (609) 897-7309.