

DATE: February 16, 2018

TO: MIAX PEARL Members

FROM: MIAX PEARL Regulatory Department

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

The purpose of this Regulatory Circular is to inform Members of an amendment to Exchange Rule 517A, Aggregate Risk Manager for EEMS (“ARM-E”), and Rule 517B, Aggregate Risk Manager for Market Makers (“ARM-M”), ([SR-PEARL-2018-01](#)), to introduce a new risk protection feature, Single Side Protection (“SSP”), which will be implemented on **Tuesday, February 20, 2018**.

EEM Single Side Protection may be engaged by an EEM’s MPID for orders delivered via the MEO Interface. If engaged, if the full remaining size of an EEM’s order, in an individual option, is exhausted by a trade, the System will trigger the SSP. When triggered, the System will cancel all open orders and block all new inbound orders delivered via the MEO Interface, for that particular side of that individual option for that MPID. The System will provide a notification message to the EEM that the SSP has been triggered. The block will remain in effect until the EEM notifies the Exchange by sending a reset message via the MEO Interface (“SSP Reset”). Intermarket Sweep Orders are not eligible for EEM Single Side Protection and are not canceled or blocked when the SSP is triggered.

Similarly, Market Maker Single Side Protection may be engaged by a Market Maker’s MPID for orders delivered via the MEO Interface. If engaged, if the full remaining size of a Market Maker’s order, in an individual option, is exhausted by a trade, the System will trigger the SSP. When triggered, the System will cancel all open orders and block all new inbound orders delivered via the MEO Interface, 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 MEO Interface (“SSP Reset”). Intermarket Sweep Orders are not eligible for Market Maker Single Side Protection and are not canceled or blocked when the SSP is triggered.

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

For questions regarding SSP functionality, please contact Trading Operations at TradingOperations@MIAXOptions.com or (609) 897-7302.

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