

DATE: May 31, 2018

TO: MIAX PEARL Members

FROM: MIAX PEARL Regulatory Department

RE: Amendment to Exchange Rules 307, Position Limits, and 309, Exercise Limits,

Regarding Position and Exercise Limits for Options on SPY

This Regulatory Circular is to inform MIAX PEARL Members that a proposed rule change to amend Exchange Rules 307, Position Limits, and 309, Exercise Limits, will become effective on Thursday, July 12, 2018, pursuant to a notice recently issued by the Securities and Exchange Commission ("SEC").

MIAX Options Rules 307 and 309, as amended, are incorporated by reference into the MIAX PEARL Rule Book, and thus are MIAX PEARL Rules applicable to MIAX PEARL Members. MIAX PEARL Members are required to comply with MIAX Options Rules 307 and 309, as amended, as though such rules were fully-set forth in the MIAX PEARL Rule Book.

The rule change (1) terminates the SPY Pilot Program, which provided for no position limits for options on SPY, and which is scheduled to expire on Thursday, July 12, 2018; and (2) increases the position and exercise limits (as compared to the limits in place prior to the SPY Pilot Program) for options on SPY from 900,000 contracts on each side of the market to 1,800,000 contracts on each side of the market.

MIAX PEARL urges all MIAX PEARL Members to review this change in its entirety, which can be found in the proposed rule filing, <u>SR-MIAX-2018-11</u>.

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