



DATE: November 2, 2015

TO: MIAX Members

FROM: MIAX Regulatory Department

**RE: New MIAX Rule 321
MIAX Business Continuity and Disaster Recovery Plans
Testing Member Designation Standards**

MIAX has adopted new Rule 321, Business Continuity and Disaster Recovery Plans Testing Requirements for Designated Members (see [SR-MIAX-2015-61](#)), which is operative. New Rule 321 requires MIAX Members designated by MIAX in accordance with the standards set forth below to connect to and participate in certain functional and performance testing of the Exchange's disaster recovery systems. The rule reflects MIAX's obligations under Regulation Systems Compliance and Integrity ("Regulation SCI") to require designated MIAX Member participation in the testing of the operation of the Exchange's business continuity and disaster recovery plans ("BC/DR plans").

Under the new Rule, MIAX will designate Members ("Designated BCP Members") in accordance with standards established for designation ("Designation Standards") of those MIAX Members that MIAX reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of MIAX's BC/DR plans. The Designation Standards are set forth below. Designated BCP Members must connect to the Exchange's disaster recovery systems and participate in mandatory functional and performance testing of such disaster recovery systems as announced by the Exchange, which shall occur at least once every 12 months. MIAX will individually notify Designated BCP Members of their designations.

New Rule 321 also permits MIAX Members not who are not Designated BCP Members to connect to the Exchange's disaster recovery systems and participate in functional and performance testing if they choose to do so on a voluntary basis.

Designation Standards

Electronic Exchange Members (EEMs):

- MIAX EEMs providing the largest order flow executed volume on the MIAX Exchange which, when combined with order flow volume of all other MIAX EEMs providing the largest order flow volume, equals or exceeds 70% of total order flow executed volume on the MIAX Exchange.

Market Makers (MMs):

- MIAX MMs providing the largest MM executed volume on the MIAX Exchange which, when combined with MM volume of all other MIAX MMs providing the largest MM executed volume, equals or exceeds 70% of total MM executed volume on the MIAX Exchange.

Measurement Period:

- Volume shall be measured over each calendar quarter commencing with the January 1 through March 31, 2016 calendar quarter (each, a “measurement quarter”).

Any changes to the Designation Standards will be published by MIAX in a Regulatory Circular in advance of the start of any measurement quarter and will not be applied retroactively to any measurement quarter then completed or in progress.

Notice to Designated BCP Members

MIAX will individually notify Designated BCP Members of their designation as such (including the Exchange volume percentage(s) such designation is based upon) promptly following completion of the applicable measurement quarter. Members designated for the first time will become subject to the requirements of Rule 321 in the next calendar quarter following their receipt of notice of designation from MIAX. For example, Members meeting the Designation Standards in the January 1 through March 31, 2016 measurement quarter will be notified by MIAX that they are Designated BCP Members in early April 2016 and will be required to connect to the Exchange’s disaster recovery systems in the calendar quarter commencing July 1, 2016 and participate in MIAX’s BC/DR plans testing occurring in or after that calendar quarter.

MIAX will further notify Designated BCP Members of the date of MIAX’s next scheduled BC/DR plans testing and MIAX’s BC/DR Plans Testing Requirements no later than four (4) months in advance of such testing date.

MIAX currently anticipates that the Exchange’s next scheduled BC/DR plans testing will take place in or about October 2016 and will be coordinated on an industry or sector-wide basis with other participating industry or sector-wide entities. MIAX will publish the date of the Exchange’s BC/DR plans testing promptly upon industry finalization and announcement of the date of the industry or sector-wide BC/DR plans testing.

For a complete description of MIAX Rule 321, please see [SR-MIAX-2015-61](#).

Please direct any questions regarding the above Designation Standards to Shelly Brown at sbrown@miaxoptions.com or (609) 897-7317.

Please direct any requests for further information regarding MIAX’s BC/DR plans testing to Amy Neiley at aneiley@miaxoptions.com or (609) 897-1463.

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