



DATE: May 25, 2016
TO: MIAX Members
FROM: MIAX Regulatory Department
RE: Amendments to Rule 612, Aggregate Risk Manager

MIAX has received approval to amend Rule 612, Aggregate Risk Manager (“ARM”) to modify the minimum Allowable Engagement Percentage (“AEP”), and to codify the Exchange’s existing practice of establishing default ARM settings, as described below.

The MIAX System activates the Aggregate Risk Manager and removes all of a Market Maker’s quotes in an appointed option class when has determined that a Market Maker has traded a number of contracts equal to or above their AEP during a specified time period. Currently, Exchange Rule 612(a) states that the Market Maker will establish for each option class an AEP that cannot be less than 100%. The amendment to Rule 612(a) allows a Market Maker to establish an AEP at any percentage level equal to or greater than 1% for an option class in which such Market Maker is appointed.

Amended Exchange Rule 612 codifies the Exchange’s existing practice of establishing a default specified time period and a default AEP if such values are not established by the Market Maker. The specified time period may not exceed 15 seconds. The Exchange-established default specified time period and default AEP (“default settings”) will remain at 1 second and 105% respectively for Market Makers that have not established a specified time period and/or an AEP.

The amendments will be effective beginning Tuesday, May 31, 2016.

For a complete description of this rule filing, please see [SR-MIAX-2016-10](#).

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