

MIAX Sapphire Options Exchange Regulatory Circular 2024-18

DATE: August 5, 2024

TO: MIAX Exchange Members

FROM: MIAX Regulatory Department

RE: Loss of Communication

Pursuant to MIAX Sapphire Exchange Rule 519C(c)(1), when a Loss of Communication is detected on a MEO port during a certain time period the System will close the session and automatically cancel quotes and orders, as configured by the Member, provided that when a Loss of Communication is detected on the last connected MEO port during a certain time period the System will close the session and automatically cancel quotes and orders. The Exchange notes that in no event shall the time-period for determining a Loss of Communication be less than one (1) second or greater than ten (10) seconds and that **the time-period is currently set to three (3) seconds.**

Pursuant to MIAX Sapphire Exchange Rule 519C(c)(1), when a Loss of Communication is detected on a FIX port the System will logoff the Member's session and (i) cancel all eligible orders for the FIX session if instructed by the Member upon login, or (ii) cancel all eligible orders identified by the Member. Following a disconnection, a reconnection will not be permitted for a certain period of time ("yy" seconds). In no event shall "yy" be less than one (1) second or greater than ten (10) seconds. Firms can specify a heartbeat interval that is greater than zero (0) and FOI will use the same. Upon missing of a single heartbeat, FOI will send a Test Request. Upon missing of two (2) heartbeats, FOI will send a logout and terminate the connection.

Pursuant to MIAX Sapphire Options Rule 519C, Interpretation .02, a loss of communication is determined:

- on an MEO port by the of lack three (3) Heartbeat responses from the Member within three "3" seconds
- on a FIX port by the lack two (2) Heartbeat responses from the Member within the Member specified time-period

For questions regarding Cancel on Disconnect contact Trading Operations at TradingOperations@miaxglobal.com or calling (609) 897-7302.

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