

Required fields are shown with yellow backgrounds and asterisks.

Filing by Miami International Securities Exchange, LLC.  
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
 Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).  
 Amend Exchange Rule 518 and 519A to facilitate the use of Related Futures Cross ("RFC") orders on the Exchange.

**Contact Information**  
 Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \* Gregory      Last Name \* Ziegler  
 Title \* Senior Counsel  
 E-mail \* gziegler@miaxoptions.com  
 Telephone \* (609) 897-1483      Fax

**Signature**  
 Pursuant to the requirements of the Securities Exchange Act of 1934,  
 has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.  
 (Title \*)  
 Date 10/08/2020      Senior Counsel  
 By Gregory P. Ziegler        
 (Name \*)  
 NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.  
 gziegler@miami-holdings.com

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

**1. Text of the Proposed Rule Change**

(a) Miami International Securities Exchange, LLC (“MIAX” or “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> proposes to amend Exchange Rule 518, Complex Orders; and Rule 519A, Risk Protection Monitor.

Notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

**2. Procedures of the Self-Regulatory Organization**

The proposed rule change was approved by the Chief Executive Officer of the Exchange or his designee pursuant to authority delegated by the MIAX Board of Directors on January 29, 2020. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the proposed rule change.

Questions and comments on the proposed rule change may be directed to Gregory P. Ziegler, Vice President and Senior Counsel, at (609) 897-1483.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

3. **Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

a. Purpose

The Exchange proposes to amend Exchange Rule 518 and Exchange Rule 519A to facilitate the use of Related Futures Cross (“RFC”) orders on the Exchange. The Exchange recently adopted the RFC order type for trading on the Exchange.<sup>3</sup> RFC orders provide market participants with the ability to exchange SPIKES options positions with corresponding futures positions, or to exchange corresponding futures positions with SPIKES options positions.<sup>4</sup>

Specifically, the Exchange proposes to amend Policy .05(e)(1)(iii) of Rule 518, entitled, Wide Market Condition<sup>5</sup> and cPRIME,<sup>6</sup> cC2C,<sup>7</sup> and cQCC<sup>8</sup> Orders, to facilitate the trading of RFC orders on the Exchange during wide market conditions. Currently, during free trading, if a

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<sup>3</sup> See Securities Exchange Act Release No. 89213 (July 1, 2020), 85 FR 41077 (July 8, 2020) (SR-MIAX-2020-11).

<sup>4</sup> See Policy .08 of Exchange Rule 518.

<sup>5</sup> A “wide market condition” is defined as any individual option component of a complex strategy having, at the time of evaluation, an MBBO quote width that is wider than the permissible valid quote width as defined in Rule 603(b)(4). See Policy .05(e)(1) of Exchange Rule 518.

<sup>6</sup> A Complex PRIME or “cPRIME” Order is a complex order (as defined in Rule 518(a)(5)) that is submitted for participation in a cPRIME Auction. Trading of cPRIME Orders is governed by Rule 515A, Interpretations and Policies .12. See Exchange Rule 518(b)(7).

<sup>7</sup> A Complex Customer Cross or “cC2C” Order is comprised of one Priority Customer complex order to buy and one Priority Customer complex order to sell at the same price and for the same quantity. Trading of cC2C Orders is governed by Rule 515(h)(3). See Exchange Rule 518(b)(5).

<sup>8</sup> A Complex Qualified Contingent Cross or “cQCC” Order is comprised of an originating complex order to buy or sell where each component is at least 1,000 contracts that is identified as being part of a qualified contingent trade, as defined in Rule 516, Interpretations and Policies .01, coupled with a contra-side complex order or orders totaling an equal number of contracts. Trading of cQCC Orders is governed by Rule 515(h)(4). See Exchange Rule 518(b)(6).

wide market condition exists for a component of a complex strategy, trading in the complex strategy will be suspended.<sup>9</sup> Similarly, if a wide market condition exists for a component of a complex strategy following a Complex Auction,<sup>10</sup> trading in the complex strategy will be suspended.<sup>11</sup> cPRIME Orders, cC2C Orders, and cQCC Orders are currently excluded from this protection during wide market conditions, and the trading and processing of these orders will continue during wide market conditions.<sup>12</sup>

Specifically, current Policy .05(e)(1)(iii) provides that a wide market condition shall have no impact on the trading of cPRIME Orders and processing of cPRIME Auctions (including the processing of cPRIME Auction responses) pursuant to Rule 515A, Interpretations and Policies .12, or on the trading of cC2C and cQCC Orders pursuant to Rules 515(h)(3) and (4). Such trading and processing will not be suspended and will continue during wide market conditions.

The Exchange is proposing to also exclude RFC orders from this current trade protection provision related to wide market conditions. The Exchange proposes to amend Policy .05(e)(1)(iii) of Rule 518 to rename the title of the provision to, Wide Market Condition and cPRIME, cC2C, cQCC and RFC Orders. The Exchange also proposes to amend the text of the provision to provide that a wide market condition shall have no impact on the trading of cPRIME Orders and processing of cPRIME Auctions (including the processing of cPRIME Auction responses) pursuant to Rule 515A, Policy .12, or on the trading of cC2C, cQCC, or RFC Orders

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<sup>9</sup> See Policy .05(e)(1)(i) of Exchange Rule 518.

<sup>10</sup> A “Complex Auction” is an auction of a complex order as set forth in Exchange Rule 518(d). See Exchange Rule 518(a)(3).

<sup>11</sup> See Policy .05(e)(1)(ii) of Exchange Rule 518.

<sup>12</sup> See Policy .05(e)(1)(iii) of Exchange Rule 518.

pursuant to Rules 515(h)(3) and (4), and Policy .08 of this Rule respectively. Such trading and processing will not be suspended and will continue during wide market conditions.

The Exchange also proposes to amend Policy .02, .02(a), and .02(b) of Rule 519A, to make RFC orders eligible to participate in certain Risk Protection Monitor functionality. Currently, the MIAX System<sup>13</sup> will maintain a counting program (“counting program”) for each participating Member<sup>14</sup> that will count the number of orders entered and the number of contracts traded via an order entered by a Member on the Exchange within a specified time period that has been established by the Member (the “specified time period”). The maximum duration of the specified time period will be established by the Exchange and announced via a Regulatory Circular.<sup>15</sup> The Risk Protection Monitor maintains one or more Member-configurable Allowable Order Rate<sup>16</sup> settings and Allowable Contract Execution Rate settings. When a Member’s order is entered or when an execution of a Member’s order occurs, the System will look back over the specified time period to determine if the Member has: (i) entered during the specified time period a number of orders exceeding their Allowable Order Rate setting(s), or (ii) executed during the specified time period a number of contracts exceeding their Allowable Contract Execution Rate

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<sup>13</sup> The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

<sup>14</sup> The term “Member” means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

<sup>15</sup> The Exchange has established a maximum duration of ten seconds. See MIAX Regulatory Circular 2016-57, Corresponding Specified Time Period for RPM Rate Settings (October 31, 2016) available at [https://www.miaxoptions.com/sites/default/files/circular-files/MIAX\\_RC\\_2016\\_57.pdf](https://www.miaxoptions.com/sites/default/files/circular-files/MIAX_RC_2016_57.pdf)

<sup>16</sup> Members must establish at least one Allowable Order Rate setting, with a corresponding specified time period of not less than one second, and not to exceed ten seconds, as established by the Exchange and communicated to Members via Regulatory Circular. See Exchange Rule 519A(b).

setting(s). Once engaged, the Risk Protection Monitor will then, as determined by the Member: automatically either (A) prevent the System from receiving any new orders in all series in all classes from the Member; (B) prevent the System from receiving any new orders in all series in all classes from the Member and cancel all existing orders with a time-in-force of Day in all series in all classes from the Member; or (C) send a notification to the Member without any further preventative or cancellation action by the System. When engaged, the Risk Protection Monitor will still allow the Member to interact with existing orders entered prior to exceeding the Allowable Order Rate setting or the Allowable Contract Execution Rate setting, including sending cancel order messages and receiving trade executions from those orders. The Risk Protection Monitor shall remain engaged until the Member communicates with the Help Desk<sup>17</sup> to enable the acceptance of new orders.<sup>18</sup>

Under current Policy .02 of Rule 519A, PRIME Orders,<sup>19</sup> cPRIME Orders, QCC Orders,<sup>20</sup> cQCC Orders, Customer Cross Orders,<sup>21</sup> cC2C Orders, and PRIME Solicitation Orders

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<sup>17</sup> The term “Help Desk” means the Exchange’s control room consisting of Exchange staff authorized to make certain trading determinations on behalf of the Exchange. The Help Desk shall report to and be supervised by a senior executive officer of the Exchange. See Exchange Rule 100.

<sup>18</sup> See Exchange Rule 519A(a).

<sup>19</sup> PRIME is a process by which a Member may electronically submit for execution (“Auction”) an order it represents as agent (“Agency Order”) against principal interest, and/or an Agency Order against solicited interest. See Exchange Rule 515A(a).

<sup>20</sup> A Qualified Contingent Cross Order is comprised of an originating order to buy or sell at least 1,000 contracts, or 10,000 mini-option contracts, that is identified as being part of a qualified contingent trade, as that term is defined in Interpretations and Policies .01 of Rule 516, coupled with a contra-side order or orders totaling an equal number of contracts. A Qualified Contingent Cross Order is not valid during the opening rotation process described in Rule 503. See Exchange Rule 516(j).

<sup>21</sup> A Customer Cross Order is comprised of a Priority Customer Order to buy and a Priority Customer Order to sell at the same price and for the same quantity. A Customer Cross

will each be counted as two orders for the purposes of calculating the Allowable Order Rate.<sup>22</sup>

The Exchange now proposes to amend Policy .02 to allow RFC orders to be included in the counting program by amending the text to provide that, PRIME Orders, cPRIME Orders, PRIME Solicitation Orders, QCC Orders, cQCC Orders, Customer Cross Orders, cC2C Orders, RFC Orders, and GTC Orders participate in the Risk Protection Monitor as follows:

(a) the System includes PRIME Orders, cPRIME Orders, PRIME Solicitation Orders, QCC Orders, cQCC Orders, Customer Cross Orders, cC2C Orders, RFC Orders, and GTC Orders in the counting program for purposes of this Rule;

(b) PRIME Orders, cPRIME Orders, PRIME Solicitation Orders, QCC Orders, cQCC Orders, Customer Cross Orders, cC2C Orders, and RFC Orders will each be counted as two orders for the purpose of calculating the Allowable Order Rate.

The Exchange believes that treating RFC orders similarly to other paired order types for purposes of the counting program will instill confidence in Members that an unusually high number of orders submitted within a specified time period will be accurately counted in regards to the possible engagement of the Risk Protection Monitor to prevent additional orders from being transmitted to the Exchange.

b. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>23</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>24</sup> in particular, in that it is

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Order is not valid during the opening rotation process described in Rule 503. See Exchange Rule 516(i).

<sup>22</sup> See Policy .02(b) of Exchange Rule 519A.

<sup>23</sup> 15 U.S.C. 78f(b).

<sup>24</sup> 15 U.S.C. 78f(b)(5).

designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange's proposal to exclude RFC orders from the wide market condition trade protection promotes just and equitable principles of trade, removes impediments to and perfects the mechanism of a free and open market and a national market system and in general, protects investors and the public interest. Allowing RFC orders to continue to trade during wide market conditions is consistent with the Exchange's treatment of other paired order types such as cPRIME, cC2C, and cQCC orders. cPRIME Orders, cC2C Orders, and cQCC Orders are all received with either a paired Agency Order (in the case of a PRIME and cPRIME Orders) or a contra-side order or orders. cPRIME and cC2C orders are received with an execution price at least \$0.01 better than (inside) the icMBBO<sup>25</sup> price or the best net price of a complex order on the Strategy Book,<sup>26</sup> whichever is more aggressive. cQCC Orders are received with an execution

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<sup>25</sup> The Implied Complex MIAX Best Bid or Offer ("icMBBO") is a calculation that uses the best price from the Simple Order Book for each component of a complex strategy including displayed and non-displayed trading interest. See Exchange Rule 518(a)(11). The "Simple Order Book" is the Exchange's regular electronic book of orders and quotes. See Exchange Rule 518(a)(15).

<sup>26</sup> The "Strategy Book" is the Exchange's electronic book of complex orders and complex quotes. See Exchange Rule 518(a)(17).

price that (i) is not at the same price as a Priority Customer Order<sup>27</sup> on the Exchange's Book;<sup>28</sup> and (ii) is at or between the NBBO.<sup>29</sup> An RFC order is comprised of a SPIKES options combo coupled with a contra-side order or orders totaling an equal number of SPIKES option combo orders, which is identified to the Exchange as being part of an exchange of option contracts for related futures positions.<sup>30</sup> In order to execute an RFC order an EEM<sup>31</sup> must submit the RFC order to the System, which may execute automatically without exposure.<sup>32</sup> An EEM may execute an RFC order pursuant to the previous statement only if: (i) each option leg executes at a price that complies with Exchange Rule 518(c), provided that no option leg executes at the same price as a Priority Customer Order in the Simple Book;<sup>33</sup> (ii) each option leg executes at a price at or between the NBBO for the applicable series; and (iii) the execution price is better than the price of any complex order resting in the Strategy Book, unless the RFC order is a Priority Customer Order and the resting complex order is a non-Priority Customer Order, in which case the

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<sup>27</sup> The term "Priority Customer" means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). The number of orders shall be counted in accordance with the following Interpretation and Policy .01 hereto. See Exchange Rule 100.

<sup>28</sup> The term "Book" means the electronic book of buy and sell orders and quotes maintained by the System. See Exchange Rule 100.

<sup>29</sup> See Exchange Rule 515(h)(4). The term "NBBO" means the national best bid or offer as calculated by the Exchange based on market information received by the Exchange from the appropriate Securities Information Processor ("SIP") See Exchange Rule 518(a)(14).

<sup>30</sup> See Policy .08(a) of Exchange Rule 518.

<sup>31</sup> The term "Electronic Exchange Member" or "EEM" means the holder of a Trading Permit who is not a Market Maker. Electronic Exchange Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

<sup>32</sup> See Policy .08(a)(1) of Exchange Rule 518.

<sup>33</sup> The "Simple Order Book" is the Exchange's regular electronic book of orders and quotes. See Exchange Rule 518(a)(15).

execution price may be the same as or better than the price of the resting complex order. The System cancels an RFC order if it cannot execute.<sup>34</sup> Therefore, these order types, all of which consist of paired orders with execution price requirements, are not affected by wide market conditions because they may only be executed at or inside of their obligatory prices, and as such are appropriately excluded from this trade protection feature.

The Exchange's proposal to include RFC orders in the Exchange's Risk Protection Monitor promotes just and equitable principles of trade, removes impediments to and perfects the mechanism of a free and open market and a national market system and, in general, protects investors and the public interest by treating RFC orders similarly to other paired orders for purposes of the Risk Protection Monitor counting program.

The Exchange's proposal to add RFC orders to the list of order types to which Policy .02 and .02(a) of Rule 519A applies; and to the list of order types to be counted as two orders for purposes of calculating the Allowable Order Rate in Policy .02(b) of Rule 519A, perfects the mechanisms of a free and open market and a national market system by assisting investors in managing their acceptable risk levels respecting open orders. The submission of a single message into the System for the execution of a paired order type is a submission representing two orders, and the Risk Protection Monitor counts them as such for purposes of calculating the Allowable Order Rate. Participants thus will know that their single message for these order types represents two orders for purposes of the counting system and may determine their appropriate risk tolerance parameters accordingly.

The Exchange believes that the proposed amendments to its trade protection rules should instill additional confidence in Members that submit orders to the Exchange that their risk

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<sup>34</sup> See Policy .08(a)(2) of Exchange Rule 518.

tolerance levels are protected, and thus should encourage such Members to submit additional order flow and liquidity to the Exchange with the understanding that they retain necessary protections and avoid unnecessary protections with respect to all orders they submit to the Exchange, including complex orders, thereby removing impediments to and perfecting the mechanisms of a free and open market and a national market system and, in general, protecting investors and the public interest.

**4. Self-Regulatory Organization's Statement on Burden on Competition**

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange believes its proposal will promote intra-market competition by ensuring that RFC orders are eligible to trade during wide market conditions, similar to other paired order types. Additionally, including RFC orders in certain trade protections available on the Exchange enables MIAX Options participants to submit more orders to the Exchange knowing that risk protection measures are in place. The proposal applies equally to all market participants and should benefit intra-market competition accordingly.

The Exchange's proposal is limited to transactions involving a Proprietary Product<sup>35</sup> of the Exchange, and therefore has no impact on inter-market competition.

For all the reasons stated, the Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, and believes the proposed change will in fact enhance competition.

**5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others**

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<sup>35</sup> The term "Proprietary Product" means a class of options that is listed exclusively on the Exchange and any of its affiliates. See Exchange Rule 100.

No written comments were either solicited or received.

**6. Extension of Time Period for Commission Action**

Not applicable.

**7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

Pursuant to Section 19(b)(3)(A) of the Act<sup>36</sup> and Rule 19b-4(f)(6)<sup>37</sup> thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange does not believe that the proposed rule change significantly affects the protection of investors or the public interest but rather promotes the protection of investors and the public interest by allowing RFC orders to continue trading during wide market conditions in a similar fashion as other paired order types. RFC orders are received as a paired order with execution price requirements and therefore are not affected by wide market conditions.

Similarly, including RFC orders in the Exchange's Risk Protection Monitor benefits investors and the public interest by accurately counting RFC orders for the purpose of the counting program which is used to determine the Allowable Order Rate for the engagement of the Risk Protection Monitor to possibly prevent additional orders from being transmitted to the Exchange. Including RFC orders in the Risk Protection Monitor should give Members confidence that an unusually high number of orders submitted within a specified time period will be accurately

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<sup>36</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>37</sup> 17 CFR 240.19b-4(f)(6).

counted in regards to the possible engagement of the Risk Protection Monitor to prevent additional orders from being transmitted to the Exchange.

The Exchange does not believe that the proposed rule change imposes any significant burden on competition as it applies evenly to all Members that use RFC orders. The Exchange does not believe that the proposed rule change raises any novel or unique substantive issues.

Therefore, the Exchange believes that the proposed rule change is well-suited for, and meets the standards applicable to, the Commission's treatment of non-controversial proposals under Section 19(b)(3)(A) of the Act<sup>38</sup> and Rule 19b-4(f)(6) thereunder.<sup>39</sup> Accordingly, for the reasons stated above, the Exchange believes that the proposed rule change is non-controversial and is therefore eligible for immediately effective treatment under the Commission's current procedures for processing rule filings.

Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

Not applicable.

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<sup>38</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>39</sup> 17 CFR 240.19b-4(f)(6).

**9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

Not applicable.

**10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act**

Not applicable.

**11. Exhibits**

1. Notice of proposed rule for publication in the Federal Register.

5. Text of proposed rule change.

**EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-MIAX-2020-33)

October \_\_, 2020

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange, LLC to amend Exchange Rule 518, Complex Orders; and Rule 519A, Risk Protection Monitor

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 8, 2020, Miami International Securities Exchange, LLC (“MIAX Options” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing a proposal to amend Exchange Rule 518, Complex Orders; and Rule 519A, Risk Protection Monitor.

The text of the proposed rule change is available on the Exchange’s website at <http://www.miaxoptions.com/rule-filings/> at MIAX Options’ principal office, and at the Commission’s Public Reference Room.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Exchange Rule 518 and Exchange Rule 519A to facilitate the use of Related Futures Cross (“RFC”) orders on the Exchange. The Exchange recently adopted the RFC order type for trading on the Exchange.<sup>3</sup> RFC orders provide market participants with the ability to exchange SPIKES options positions with corresponding futures positions, or to exchange corresponding futures positions with SPIKES options positions.<sup>4</sup>

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<sup>3</sup> See Securities Exchange Act Release No. 89213 (July 1, 2020), 85 FR 41077 (July 8, 2020) (SR-MIAX-2020-11).

<sup>4</sup> See Policy .08 of Exchange Rule 518.

Specifically, the Exchange proposes to amend Policy .05(e)(1)(iii) of Rule 518, entitled, Wide Market Condition<sup>5</sup> and cPRIME,<sup>6</sup> cC2C,<sup>7</sup> and cQCC<sup>8</sup> Orders, to facilitate the trading of RFC orders on the Exchange during wide market conditions. Currently, during free trading, if a wide market condition exists for a component of a complex strategy, trading in the complex strategy will be suspended.<sup>9</sup> Similarly, if a wide market condition exists for a component of a complex strategy following a Complex Auction,<sup>10</sup> trading in the complex strategy will be suspended.<sup>11</sup> cPRIME Orders, cC2C Orders, and cQCC Orders are currently excluded from this protection during wide market conditions, and the trading and processing of these orders will continue during wide market conditions.<sup>12</sup>

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<sup>5</sup> A “wide market condition” is defined as any individual option component of a complex strategy having, at the time of evaluation, an MBBO quote width that is wider than the permissible valid quote width as defined in Rule 603(b)(4). See Policy .05(e)(1) of Exchange Rule 518.

<sup>6</sup> A Complex PRIME or “cPRIME” Order is a complex order (as defined in Rule 518(a)(5)) that is submitted for participation in a cPRIME Auction. Trading of cPRIME Orders is governed by Rule 515A, Interpretations and Policies .12. See Exchange Rule 518(b)(7).

<sup>7</sup> A Complex Customer Cross or “cC2C” Order is comprised of one Priority Customer complex order to buy and one Priority Customer complex order to sell at the same price and for the same quantity. Trading of cC2C Orders is governed by Rule 515(h)(3). See Exchange Rule 518(b)(5).

<sup>8</sup> A Complex Qualified Contingent Cross or “cQCC” Order is comprised of an originating complex order to buy or sell where each component is at least 1,000 contracts that is identified as being part of a qualified contingent trade, as defined in Rule 516, Interpretations and Policies .01, coupled with a contra-side complex order or orders totaling an equal number of contracts. Trading of cQCC Orders is governed by Rule 515(h)(4). See Exchange Rule 518(b)(6).

<sup>9</sup> See Policy .05(e)(1)(i) of Exchange Rule 518.

<sup>10</sup> A “Complex Auction” is an auction of a complex order as set forth in Exchange Rule 518(d). See Exchange Rule 518(a)(3).

<sup>11</sup> See Policy .05(e)(1)(ii) of Exchange Rule 518.

<sup>12</sup> See Policy .05(e)(1)(iii) of Exchange Rule 518.

Specifically, current Policy .05(e)(1)(iii) provides that a wide market condition shall have no impact on the trading of cPRIME Orders and processing of cPRIME Auctions (including the processing of cPRIME Auction responses) pursuant to Rule 515A, Interpretations and Policies .12, or on the trading of cC2C and cQCC Orders pursuant to Rules 515(h)(3) and (4). Such trading and processing will not be suspended and will continue during wide market conditions.

The Exchange is proposing to also exclude RFC orders from this current trade protection provision related to wide market conditions. The Exchange proposes to amend Policy .05(e)(1)(iii) of Rule 518 to rename the title of the provision to, Wide Market Condition and cPRIME, cC2C, cQCC and RFC Orders. The Exchange also proposes to amend the text of the provision to provide that a wide market condition shall have no impact on the trading of cPRIME Orders and processing of cPRIME Auctions (including the processing of cPRIME Auction responses) pursuant to Rule 515A, Policy .12, or on the trading of cC2C, cQCC, or RFC Orders pursuant to Rules 515(h)(3) and (4), and Policy .08 of this Rule respectively. Such trading and processing will not be suspended and will continue during wide market conditions.

The Exchange also proposes to amend Policy .02, .02(a), and .02(b) of Rule 519A, to make RFC orders eligible to participate in certain Risk Protection Monitor functionality. Currently, the MIAX System<sup>13</sup> will maintain a counting program (“counting program”) for each participating Member<sup>14</sup> that will count the number of orders entered and the number of contracts traded via an order entered by a Member on the Exchange within a specified time period that has been established by the Member (the “specified time period”). The maximum duration of the

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<sup>13</sup> The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

<sup>14</sup> The term “Member” means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

specified time period will be established by the Exchange and announced via a Regulatory Circular.<sup>15</sup> The Risk Protection Monitor maintains one or more Member-configurable Allowable Order Rate<sup>16</sup> settings and Allowable Contract Execution Rate settings. When a Member's order is entered or when an execution of a Member's order occurs, the System will look back over the specified time period to determine if the Member has: (i) entered during the specified time period a number of orders exceeding their Allowable Order Rate setting(s), or (ii) executed during the specified time period a number of contracts exceeding their Allowable Contract Execution Rate setting(s). Once engaged, the Risk Protection Monitor will then, as determined by the Member: automatically either (A) prevent the System from receiving any new orders in all series in all classes from the Member; (B) prevent the System from receiving any new orders in all series in all classes from the Member and cancel all existing orders with a time-in-force of Day in all series in all classes from the Member; or (C) send a notification to the Member without any further preventative or cancellation action by the System. When engaged, the Risk Protection Monitor will still allow the Member to interact with existing orders entered prior to exceeding the Allowable Order Rate setting or the Allowable Contract Execution Rate setting, including sending cancel order messages and receiving trade executions from those orders. The Risk

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<sup>15</sup> The Exchange has established a maximum duration of ten seconds. See MIAX Regulatory Circular 2016-57, Corresponding Specified Time Period for RPM Rate Settings (October 31, 2016) available at [https://www.miaxoptions.com/sites/default/files/circular-files/MIAX\\_RC\\_2016\\_57.pdf](https://www.miaxoptions.com/sites/default/files/circular-files/MIAX_RC_2016_57.pdf)

<sup>16</sup> Members must establish at least one Allowable Order Rate setting, with a corresponding specified time period of not less than one second, and not to exceed ten seconds, as established by the Exchange and communicated to Members via Regulatory Circular. See Exchange Rule 519A(b).

Protection Monitor shall remain engaged until the Member communicates with the Help Desk<sup>17</sup> to enable the acceptance of new orders.<sup>18</sup>

Under current Policy .02 of Rule 519A, PRIME Orders,<sup>19</sup> cPRIME Orders, QCC Orders,<sup>20</sup> cQCC Orders, Customer Cross Orders,<sup>21</sup> cC2C Orders, and PRIME Solicitation Orders will each be counted as two orders for the purposes of calculating the Allowable Order Rate.<sup>22</sup>

The Exchange now proposes to amend Policy .02 to allow RFC orders to be included in the counting program by amending the text to provide that, PRIME Orders, cPRIME Orders, PRIME Solicitation Orders, QCC Orders, cQCC Orders, Customer Cross Orders, cC2C Orders, RFC Orders, and GTC Orders participate in the Risk Protection Monitor as follows:

(a) the System includes PRIME Orders, cPRIME Orders, PRIME Solicitation Orders, QCC Orders, cQCC Orders, Customer Cross Orders, cC2C Orders, RFC Orders, and GTC Orders in the counting program for purposes of this Rule;

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<sup>17</sup> The term “Help Desk” means the Exchange’s control room consisting of Exchange staff authorized to make certain trading determinations on behalf of the Exchange. The Help Desk shall report to and be supervised by a senior executive officer of the Exchange. See Exchange Rule 100.

<sup>18</sup> See Exchange Rule 519A(a).

<sup>19</sup> PRIME is a process by which a Member may electronically submit for execution (“Auction”) an order it represents as agent (“Agency Order”) against principal interest, and/or an Agency Order against solicited interest. See Exchange Rule 515A(a).

<sup>20</sup> A Qualified Contingent Cross Order is comprised of an originating order to buy or sell at least 1,000 contracts, or 10,000 mini-option contracts, that is identified as being part of a qualified contingent trade, as that term is defined in Interpretations and Policies .01 of Rule 516, coupled with a contra-side order or orders totaling an equal number of contracts. A Qualified Contingent Cross Order is not valid during the opening rotation process described in Rule 503. See Exchange Rule 516(j).

<sup>21</sup> A Customer Cross Order is comprised of a Priority Customer Order to buy and a Priority Customer Order to sell at the same price and for the same quantity. A Customer Cross Order is not valid during the opening rotation process described in Rule 503. See Exchange Rule 516(i).

<sup>22</sup> See Policy .02(b) of Exchange Rule 519A.

(b) PRIME Orders, cPRIME Orders, PRIME Solicitation Orders, QCC Orders, cQCC Orders, Customer Cross Orders, cC2C Orders, and RFC Orders will each be counted as two orders for the purpose of calculating the Allowable Order Rate.

The Exchange believes that treating RFC orders similarly to other paired order types for purposes of the counting program will instill confidence in Members that an unusually high number of orders submitted within a specified time period will be accurately counted in regards to the possible engagement of the Risk Protection Monitor to prevent additional orders from being transmitted to the Exchange.

## 2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>23</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>24</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange's proposal to exclude RFC orders from the wide market condition trade protection promotes just and equitable principles of trade, removes impediments to and perfects the mechanism of a free and open market and a national market system and in general, protects investors and the public interest. Allowing RFC orders to continue to trade during wide market conditions is consistent with the Exchange's treatment of other paired order types such as cPRIME, cC2C, and cQCC orders. cPRIME Orders, cC2C Orders, and cQCC Orders are all

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<sup>23</sup> 15 U.S.C. 78f(b).

<sup>24</sup> 15 U.S.C. 78f(b)(5).

received with either a paired Agency Order (in the case of a PRIME and cPRIME Orders) or a contra-side order or orders. cPRIME and cC2C orders are received with an execution price at least \$0.01 better than (inside) the icMBBO<sup>25</sup> price or the best net price of a complex order on the Strategy Book,<sup>26</sup> whichever is more aggressive. cQCC Orders are received with an execution price that (i) is not at the same price as a Priority Customer Order<sup>27</sup> on the Exchange's Book,<sup>28</sup> and (ii) is at or between the NBBO.<sup>29</sup> An RFC order is comprised of a SPIKES options combo coupled with a contra-side order or orders totaling an equal number of SPIKES option combo orders, which is identified to the Exchange as being part of an exchange of option contracts for related futures positions.<sup>30</sup> In order to execute an RFC order an EEM<sup>31</sup> must submit the RFC order to the System, which may execute automatically without exposure.<sup>32</sup> An EEM may execute

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<sup>25</sup> The Implied Complex MIAX Best Bid or Offer ("icMBBO") is a calculation that uses the best price from the Simple Order Book for each component of a complex strategy including displayed and non-displayed trading interest. See Exchange Rule 518(a)(11). The "Simple Order Book" is the Exchange's regular electronic book of orders and quotes. See Exchange Rule 518(a)(15).

<sup>26</sup> The "Strategy Book" is the Exchange's electronic book of complex orders and complex quotes. See Exchange Rule 518(a)(17).

<sup>27</sup> The term "Priority Customer" means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). The number of orders shall be counted in accordance with the following Interpretation and Policy .01 hereto. See Exchange Rule 100.

<sup>28</sup> The term "Book" means the electronic book of buy and sell orders and quotes maintained by the System. See Exchange Rule 100.

<sup>29</sup> See Exchange Rule 515(h)(4). The term "NBBO" means the national best bid or offer as calculated by the Exchange based on market information received by the Exchange from the appropriate Securities Information Processor ("SIP") See Exchange Rule 518(a)(14).

<sup>30</sup> See Policy .08(a) of Exchange Rule 518.

<sup>31</sup> The term "Electronic Exchange Member" or "EEM" means the holder of a Trading Permit who is not a Market Maker. Electronic Exchange Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

<sup>32</sup> See Policy .08(a)(1) of Exchange Rule 518.

an RFC order pursuant to the previous statement only if: (i) each option leg executes at a price that complies with Exchange Rule 518(c), provided that no option leg executes at the same price as a Priority Customer Order in the Simple Book;<sup>33</sup> (ii) each option leg executes at a price at or between the NBBO for the applicable series; and (iii) the execution price is better than the price of any complex order resting in the Strategy Book, unless the RFC order is a Priority Customer Order and the resting complex order is a non-Priority Customer Order, in which case the execution price may be the same as or better than the price of the resting complex order. The System cancels an RFC order if it cannot execute.<sup>34</sup> Therefore, these order types, all of which consist of paired orders with execution price requirements, are not affected by wide market conditions because they may only be executed at or inside of their obligatory prices, and as such are appropriately excluded from this trade protection feature.

The Exchange's proposal to include RFC orders in the Exchange's Risk Protection Monitor promotes just and equitable principles of trade, removes impediments to and perfects the mechanism of a free and open market and a national market system and, in general, protects investors and the public interest by treating RFC orders similarly to other paired orders for purposes of the Risk Protection Monitor counting program.

The Exchange's proposal to add RFC orders to the list of order types to which Policy .02 and .02(a) of Rule 519A applies; and to the list of order types to be counted as two orders for purposes of calculating the Allowable Order Rate in Policy .02(b) of Rule 519A, perfects the mechanisms of a free and open market and a national market system by assisting investors in managing their acceptable risk levels respecting open orders. The submission of a single message

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<sup>33</sup> The "Simple Order Book" is the Exchange's regular electronic book of orders and quotes. See Exchange Rule 518(a)(15).

<sup>34</sup> See Policy .08(a)(2) of Exchange Rule 518.

into the System for the execution of a paired order type is a submission representing two orders, and the Risk Protection Monitor counts them as such for purposes of calculating the Allowable Order Rate. Participants thus will know that their single message for these order types represents two orders for purposes of the counting system and may determine their appropriate risk tolerance parameters accordingly.

The Exchange believes that the proposed amendments to its trade protection rules should instill additional confidence in Members that submit orders to the Exchange that their risk tolerance levels are protected, and thus should encourage such Members to submit additional order flow and liquidity to the Exchange with the understanding that they retain necessary protections and avoid unnecessary protections with respect to all orders they submit to the Exchange, including complex orders, thereby removing impediments to and perfecting the mechanisms of a free and open market and a national market system and, in general, protecting investors and the public interest.

**B. Self-Regulatory Organization's Statement on Burden on Competition**

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange believes its proposal will promote intra-market competition by ensuring that RFC orders are eligible to trade during wide market conditions, similar to other paired order types. Additionally, including RFC orders in certain trade protections available on the Exchange enables MIAX Options participants to submit more orders to the Exchange knowing that risk protection measures are in place. The proposal applies equally to all market participants and should benefit intra-market competition accordingly.

The Exchange's proposal is limited to transactions involving a Proprietary Product<sup>35</sup> of the Exchange, and therefore has no impact on inter-market competition.

For all the reasons stated, the Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, and believes the proposed change will in fact enhance competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act<sup>36</sup> and Rule 19b-4(f)(6)<sup>37</sup> thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the

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<sup>35</sup> The term "Proprietary Product" means a class of options that is listed exclusively on the Exchange and any of its affiliates. See Exchange Rule 100.

<sup>36</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>37</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail [to rule-comments@sec.gov](mailto:to-rule-comments@sec.gov). Please include File Number SR-MIAX-2020-33 on the subject line

Paper comments:

- Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-MIAX-2020-33. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m.

and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-MIAX-2020-33 and should be submitted on or before [insert date 21 days from publication in the Federal Register]. For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>38</sup>

Vanessa Countryman  
Secretary

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<sup>38</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

New text is underlined;  
Deleted text is in [brackets]

**MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC Rules**

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**Rule 518. Complex Orders**

(a) – (d) No change.

**Interpretations and Policies:**

.01 – 04 No change.

**.05 Price and Other Protections.** Unless otherwise specifically set forth herein, the price and other protections contained in this Interpretations and Policies .05 apply to all complex order types set forth in Rule 518(b) above.

(a) – (d) No change.

**(e) Wide Market Conditions, SMAT Events and Halts.**

(1) **Wide Market Condition.** A “wide market condition” is defined as any individual option component of a complex strategy having, at the time of evaluation, an MBBO quote width that is wider than the permissible valid quote width as defined in Rule 603(b)(4).

(i) – (ii) No change.

(iii) **Wide Market Condition and cPRIME, cC2C, [and ]cQCC, and RFC Orders.** A wide market condition shall have no impact on the trading of cPRIME Orders and processing of cPRIME Auctions (including the processing of cPRIME Auction responses) pursuant to Rule 515A, [Interpretations and ]Polic[ies]y .12, or on the trading of cC2C, [and ]cQCC, or RFC Orders pursuant to Rules 515(h)(3) and (4), and Policy .08 of this Rule respectively. Such trading and processing will not be suspended and will continue during wide market conditions.

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**Rule 519A. Risk Protection Monitor**

(a) – (b) No change.

**Interpretations and Policies:****.01 Member Grouping.**

(a) – (c) No change.

.02 PRIME Orders, cPRIME Orders, PRIME Solicitation Orders, QCC Orders, cQCC Orders, Customer Cross Orders, cC2C Orders, RFC Orders, [PRIME Solicitation Orders] and GTC Orders participate in the Risk Protection Monitor as follows:

(a) the System includes PRIME Orders, cPRIME Orders, PRIME Solicitation Orders, QCC Orders, cQCC Orders, Customer Cross Orders, cC2C Orders, RFC Orders, [PRIME Solicitation Orders] and GTC Orders in the counting program for purposes of this Rule;

(b) PRIME Orders, cPRIME Orders, PRIME Solicitation Orders, QCC Orders, cQCC Orders, Customer Cross Orders, [and ]cC2C Orders, and RFC Orders will each be counted as two orders for the purpose of calculating the Allowable Order Rate.

(c) No change.

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