



DATE: January 10, 2017

TO: MIAX Options Members

FROM: MIAX Options Regulatory Department

RE: Amendments to MIAX Options Rule 515A
MIAX Options Price Improvement Mechanism ("PRIME")
SR-MIAX-2016-46

MIAX Options (the "Exchange") has filed with the Securities and Exchange Commission ("Commission") to make the MIAX Options PRIME pilot program (the "Pilot") permanent, and to change the handling of PRIME Agency Orders with a size of less than 50 contracts that are received when the National Best Bid/Offer ("NBBO") has a bid/ask differential of \$0.01. The Pilot allows Agency Orders of any size to initiate a PRIME Auction on the Exchange. The Exchange has extended the Pilot several times, and the Pilot is currently set to expire January 18, 2017. The Exchange is proposing to make the Pilot permanent, with one modification, as described below.

Specifically, the Exchange is proposing to adopt new Rule 515A(a)(1)(iii) to state that, with respect to Agency Orders that have a size of less than 50 contracts, if at the time of receipt of the Agency Order, the NBBO has a bid/ask differential of \$0.01, the MIAX Options System (the "System") will reject the Agency Order.

Agency Orders with a size of under 50 contracts will be accepted and processed by the System when the NBBO bid/ask differential is greater than \$0.01, and all Agency Orders with a size of 50 contracts or greater will be accepted and processed by the System, regardless of the NBBO bid/ask differential.

For a complete description of the proposal, see [SR-MIAX-2016-46](#).

The proposed changes to the rule will be implemented on January 18, 2017, subject to Commission approval.

For additional information, please contact Sales@MIAXOptions.com or call (609) 897-8177.

For Regulatory questions, contact the Regulatory Department at Regulatory@MIAXOptions.com or (609) 897-7309.