



DATE: March 22, 2017
TO: MIAX Options Members
FROM: MIAX Options Regulatory Department
RE: MIAX Options Cancel on Disconnect

The purpose of this Regulatory Circular is to inform MIAX Options Members (“Members”) of a proposal to amend Exchange Rule 519C, Mass Cancellation of Trading Interest ([SR-MIAX-2017-08](#)), to codify existing cancel on disconnect behavior in the Exchange’s rules. The proposal will become operative on Monday, March 27, 2017.

MIAX Options offers two connection types to the Exchange, MIAX Express Interface (“MEI”) and Financial Information Exchange (“FIX”). The Exchange is amending Rule 519C to add, “Detection of Loss of Communication,” which states that when a Loss of Communication is detected on an MEI port during a certain period of time as determined by the Exchange and communicated to Members via Regulatory Circular, the System will close the session and automatically cancel quotes and eQuotes as configured by the Member, provided that when a Loss of Communication is detected on the last connected MEI port, the Exchange will close the session and automatically cancel quotes and eQuotes. 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.**

Rule 519C will also be amended to state that 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 as determined by the Exchange and communicated to Members via Regulatory Circular. In no event shall the period of time be less than one (1) second or greater than ten (10) seconds. **The Exchange notes that the current setting is five (5) seconds.**

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

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