

MIAX Options Exchange Regulatory Circular 2023-25

DATE: May 17, 2023

TO: MIAX Options Exchange Members

FROM: MIAX Exchange Group Regulatory Department

RE: Trading of Stock-Option Orders with Non-conforming Ratios

This Regulatory Circular is to inform MIAX Options Exchange Members that a proposal to facilitate the acceptance and trading of stock-option orders in non-conforming ratios will be implemented on Monday, May 22, 2023.

A “non-conforming ratio” is where the ratio between the sizes of the components of a complex order comprised solely of options is greater than three-to-one (3.00) or less than one-to-three (.333); where one component of the complex order is the underlying security (stock or ETF) or security convertible into the underlying stock (“convertible security”), the ratio between the option component(s) and the underlying security (stock or ETF) or convertible security is greater than eight-to-one (8.00).

The option leg(s) of a stock-option order with a non-conforming ratio shall not be executed (i) at a price that is inferior to the Exchange’s best bid (offer) in the option or (ii) at the Exchange’s best bid (offer) in that option if there are one or more Priority Customer Orders resting on the Simple Order Book at the best bid (offer) price for any option leg of a stock-option order. Each component of a stock-option order with a non-conforming ratio must trade at a price better than any Priority Customer Order(s) resting on the Simple Order Book at the best bid (offer) price by at least \$0.01. The option leg(s) of a stock-option order may be executed in a \$0.01 increment, regardless of the minimum quoting increment applicable to that series.

Complete details regarding the changes can found in the Exchange’s rule filing, ([SR-MIAX-2023-20](#)).

Contact MIAX Trading Operations at TradingOperations@miaxglobal.com or (609) 897-7302 with any questions about the changes.

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