

**DATE:** October 3, 2017

**TO:** MIAX PEARL Members

**FROM:** MIAX PEARL Regulatory Department

**RE:** Amendments to Rules Related to Listing and Trading Options on Indices

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This Regulatory Circular is to inform MIAX PEARL members that, on September 27, 2017, the Securities and Exchange Commission (“SEC”) approved a proposed rule filing by MIAX Options to adopt a new chapter of MIAX Options rules relating to the listing and trading of cash-settled index options (Chapter XVIII of MIAX Options Rules -- Listing and Trading Options on Indices), as well as to amend certain existing MIAX Options rules relating to position and exercise limits for cash-settled index options. Please refer to the rule filing for a detailed description of the new and amended rules, see [SR-MIAX-2017-39](#).

The new and amended MIAX Options rules, while approved, have not yet been implemented, and will be implemented on a date to be announced by a subsequent Regulatory Circular.

While the new MIAX Options Chapter XVIII rules *are not* currently incorporated by reference into the MIAX PEARL Rule Book, the amended MIAX Options Rules 308, 313, and 700 *are* incorporated by reference into the MIAX PEARL Rule Book, as such rules may be in effect from time to time, and are thus MIAX PEARL Rules applicable to MIAX PEARL Members. MIAX PEARL Members therefore must comply with MIAX Options Rules 308, 313, and 700 as though such rules were fully set forth in the MIAX PEARL Rule Book. All defined terms, including any variations thereof, contained in such rules shall be read to refer to the MIAX PEARL related meaning of such term.

Rule 308 sets forth rules that apply to Market Makers seeking an exemption from the established position limits for a cash-settled index option class; Rule 313 governs the restrictions on the exercise of cash-settled index options; and Rule 700 sets forth the process to be followed by Clearing Members and Members when exercising American-style cash-settled index options. These rule amendments have no present practical impact on MIAX PEARL Members, as MIAX PEARL does not presently have rules that permit the listing of trading of cash-settled index options.

Should you have any questions about the amended rules or the information contained in this Regulatory Circular, please contact the Regulatory Department at [Regulatory@MIAXOptions.com](mailto:Regulatory@MIAXOptions.com) or (609) 897-7309.