



**DATE:** February 11, 2013

**TO:** MIAX Members

**FROM:** MIAX Regulatory Department

**SUBJECT:** Filing No. SR-MIAX-2013-04  
Amendment to Opening Quoting Obligations for Market Makers

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The Exchange has amended its rules governing Market Maker quoting obligations at the opening. Specifically, commencing February 12, 2013 Lead Market Makers (“LMMs”), including those appointed Primary Lead Market Maker (“PLMM”), will no longer be required to enter quotes before or during the opening process in their appointed option classes. By eliminating the specific obligations for PLMMs and LMMs to submit valid width quotes in connection with the opening process, MIAX now only requires continuous quoting during regular options trading after the opening process is complete.

#### Revised PLMM Quoting Obligation

Although the PLMM will not be required to enter quotes as part of the opening process, under the amended rules the PLMM will be required to submit valid width quotes in each of its appointed options classes no later than one minute following the dissemination of a quote or trade by the market for the underlying security. The purpose of the revised PLMM quoting obligation is to both assure a timely start of the opening process if the process has not yet been started by one of the other triggers,<sup>1</sup> and to assure PLMM quoting participation begins as soon as possible after trading has started in its appointed option classes.

Elimination of the opening quoting obligations for LMMs and revising the opening quoting obligations for PLMMs is consistent with other options exchanges, which generally do not impose opening quoting obligations on their market makers.

Please direct any questions concerning Market Maker quoting requirements to the Regulatory Department at [Regulatory@miaxoptions.com](mailto:Regulatory@miaxoptions.com).

Attachment A—Text of Revised Rules

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<sup>1</sup> The MIAX opening process is triggered by one of the following: (i) a valid width quote submitted by the PLMM in the option class; (ii) valid width quotes of at least two Market Makers (one of whom must be an LMM) submitted in the option; or (iii) a valid width quote of one LMM submitted in the option with at least one other options exchange disseminating a quote in the option and a valid width NBBO being available for that option.

MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC  
Text of Revised Rules

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The following provisions of the Miami International Securities Exchange Rules have been amended as set forth below. ~~Strikethrough~~ indicates material to be deleted and underlined text indicates material to be added.

**Rule 503. Openings on the Exchange**

(a) through (d) No change.

**(e) Starting the Opening Process**

(1) through (4) No change.

(5) ~~Lead Market Makers, including~~ The Primary Lead Market Maker, assigned in a particular equity option must enter valid width quotes for the Opening not later than one minute following the dissemination of a quote or trade by the market for the underlying security. ~~and must participate in the opening as specified in Rule 604(e)(1)(i) and (e)(2)(i).~~

(6) No change.

(f) through (g) No change.

\* \* \* \* \*

**Rule 603. Obligations of Market Makers**

(a) through (b) No change.

(c) **Primary Lead Market Makers**. In addition to the obligations contained in this Rule for Market Makers generally, for options classes to which a Market Maker is an appointed Primary Lead Market Maker, it shall have the responsibility to submit valid width quotes in each series during the Opening Process not later than one minute following the dissemination of a quote or trade by the market for the underlying security pursuant to Rule 503(e).

(d) No change.

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**Rule 604. Market Maker Quotations**

(a) through (d) No change.

(e) **Continuous Quotes.** The following quoting requirements shall apply:

**(1) Primary Lead Market Makers**

~~(i) A Primary Lead Market Maker must participate in the opening rotation and enter into any transactions resulting from its participation. Thereafter, a Primary Lead Market Maker must provide continuous two-sided Standard quotes and/or Day eQuotes, which for the purpose of this paragraph shall mean 99% of the time, for the options classes to which it is appointed.~~

(ii) through (iii) No change.

**(2) Lead Market Makers**

~~(i) A Lead Market Maker must participate in the opening rotation and enter into any transactions resulting from its participation. Thereafter, a Lead Market Maker must provide continuous two-sided Standard quotes and/or Day eQuotes, which for the purpose of this paragraph shall mean 90% of the time, for the options classes to which it is appointed.~~

(ii) through (iii) No change.

**(3) Registered Market Makers.** No change.

(f) No change.