



## MIAX Sapphire Options Exchange Regulatory Circular 2025-76

**DATE:** September 8, 2025  
**TO:** MIAX Sapphire Options Exchange Floor Participants  
**FROM:** MIAX Regulatory Department  
**RE:** Reminder for Trading Floor Participants – Tied Hedge Transactions

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Pursuant to MIAX Sapphire Options Exchange Rule 2040. Qualified Floor Orders, with respect to tied hedge transactions, a MIAX Sapphire Options Exchange Floor Broker may buy or sell a stock, security futures or futures position following receipt of an option order and prior to announcing the order to the trading crowd, subject to the requirements outlined below:

- Size: The option order may be a simple or complex order, and must be for at least 500 contracts. Multiple orders cannot be aggregated to satisfy this size parameter. For a complex order, at least one leg must be for at least 500 contracts.
- Record: The Floor Broker must create an electronic record that they are engaging in a tied hedge transaction, with adequate detail, in the Floor Broker Work Station.
- Hedge: The hedge position may include the same underlying stock applicable to the option order, a security future overlying the stock applicable to the option order or, a related instrument for an index or ETF. A hedge position cannot exceed the option order on a delta basis.
- Procedures:
  - The hedge position must be:
    - brought to the trading crowd without undue delay
    - announced concurrently with the option order
    - offered to the trading crowd in its entirety, and
    - offered at the execution price received by the Floor Broker introducing the option to any in-crowd Participant who has established parity or priority for the related options.
  - Trading Crowd Floor Participants that participate in the option transaction must also participate in the hedging position and may not prevent the option transaction from occurring by giving a competing bid or offer for one component of the order.



- Tied hedge transactions are treated the same as complex order transactions for purposes of MIA X Sapphire Options Exchange's open outcry allocation and reporting procedures.
  - Tied hedge transactions are subject to the NBBO trade-through restrictions for options and stock.
  - In the event non-options market conditions prevent the execution of a non-options leg(s) at the agreed price(s), the trade(s) representing the options leg(s) may be cancelled.
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- Notification: Prior to entering tied hedge orders, the Floor Broker must deliver to the customer a one time written notification informing them that their order may be executed using the MIA X Sapphire Options Exchange's tied hedge procedures. The written notification must disclose the terms and conditions contained in the tied hedge procedures and be in an approved form. Notifications must be retained pursuant to books and records requirements.

Members must submit such notifications for approval to [Regulatory@MIA XGlobal.com](mailto:Regulatory@MIA XGlobal.com).

For more details on tied hedge transactions, please refer to MIA X Sapphire Options Exchange Rule 2040. Qualified Floor Orders Interpretations and Policies: .02, at [https://www.miaxglobal.com/miax\\_sapphire\\_exchange\\_rulebook.pdf](https://www.miaxglobal.com/miax_sapphire_exchange_rulebook.pdf).

Please direct regulatory inquiries to [Regulatory@MIA XGlobal.com](mailto:Regulatory@MIA XGlobal.com) or (609) 897-7309.