

options trades.¹³ Therefore, no exchange possesses significant pricing power in the execution of option order flow. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹⁴ The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition v. Securities and Exchange Commission*, the D.C. Circuit stated as follows: “[n]o one disputes that competition for order flow is ‘fierce.’ . . . As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’”¹⁵ Accordingly, the Exchange does not believe its proposed changes to the incentive programs impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁶ and paragraph (f) of Rule

¹³ See Cboe Global Markets, U.S. Options Market Volume Summary by Month (June 24, 2022), available at http://markets.cboe.com/us/options/market_share/.

¹⁴ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

¹⁵ *NetCoalition v. SEC*, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca–2006–21)).

¹⁶ 15 U.S.C. 78s(b)(3)(A).

19b–4¹⁷ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission’s internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR–CBOE–2022–034 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–CBOE–2022–034. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission’s Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal

¹⁷ 17 CFR 240.19b–4(f).

office of the Exchange. All comments received will be posted without change.

Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–CBOE–2022–034 and should be submitted on or before August 4, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2022–14997 Filed 7–13–22; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–95229; File No. SR–C2–2022–013]

Self-Regulatory Organizations; Cboe C2 Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 5.20 To Remove Certain References to the Market-Wide Circuit Breaker Program

July 8, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 30, 2022, Cboe C2 Exchange, Inc. (the “Exchange” or “C2”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b–4(f)(6) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

Cboe C2 Exchange, Inc. (the “Exchange” or “C2”) is filing with the Securities and Exchange Commission (the “Commission”) a proposal to amend Rule 5.20 to remove certain references to the Market-Wide Circuit Breaker program. The text of the

¹⁸ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b–4(f)(6).

proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (http://markets.cboe.com/us/options/regulation/rule_filings/ctwo/), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Exchange Rule 5.20 to remove certain rule text that references the Market-Wide Circuit Breaker ("MWCB") program for equity securities. The proposed changes are intended to clarify the Exchange's rules regarding trading halts in options due to a MWCB.

MWCB Program

On March 16, 2022, the Commission approved a proposal by the New York Stock Exchange LLC ("NYSE") to make permanent the MWCB program.⁵ The Commission approved a proposal filed by the Exchange on April 12, 2022, to adopt on a permanent basis the MWCB pilot program.⁶ The Exchange's affiliated equities exchanges similarly received approval to make permanent the MWCB pilot program on April 12, 2022.⁷

⁵ See Securities Exchange Act Release No. 94441 (March 16, 2022), 87 FR 16286 (March 22, 2022) (SR-NYSE-2021-40) (Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1 To Adopt on a Permanent Basis the Pilot Program for Market-Wide Circuit Breakers in Rule 7.12).

⁶ See Securities Exchange Act Release No. 94698 (April 12, 2022), 87 FR 22981 (April 18, 2022) (SR-CBOE-2022-010) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adopt on a Permanent Basis the Pilot Program for Market-Wide Circuit Breakers, Currently Codified in Rule 5.20.01).

⁷ See Securities Exchange Act Release No. 94705 (April 12, 2022), 87 FR 22977 (April 18, 2022) (SR-

The Exchange's current rule regarding MWCB halts can be found in Rule 5.20.01,⁸ which states, "[t]he Exchange will halt trading in all stock options whenever a market-wide trading halt commonly known as a circuit breaker is initiated in response to extraordinary market conditions." Rules 5.20.01(a)⁹ and 5.20.01(b)¹⁰ describe the applicable Market Declines and associated trading halts applicable to MWCB. The Exchange notes that the text in Rules 5.20.01(a) and 5.20.01(b) is identical to the MWCB language found in the Exchange's affiliated equity exchanges' rules.¹¹ Those rules are implemented exclusively by equities exchanges and the Exchange does not trade equity securities. The Exchange notes that its MWCB rules were based, in part, on the rules of the Exchange's affiliate, Cboe Exchange, Inc., which previously operated a stock trading facility but no longer supports this functionality. As the rules for Cboe Exchange, Inc. are being updated to remove references to

CboeBYX-2022-011) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt on a Permanent Basis the Pilot Program for Market-Wide Circuit Breakers, Currently Codified in Rule 11.18); Securities Exchange Act Release No. 94702 (April 12, 2022), 87 FR 23003 (April 18, 2022) (SR-CboeBZX-2022-027) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt on a Permanent Basis the Pilot Program for Market-Wide Circuit Breakers, Currently Codified in Rule 11.18); Securities Exchange Act Release No. 94701 (April 12, 2022), 87 FR 22963 (April 18, 2022) (SR-CboeEDGA-2022-008) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt on a Permanent Basis the Pilot Program for Market-Wide Circuit Breakers, Currently Codified in Rule 11.16); Securities Exchange Act Release No. 94699 (April 12, 2022), 87 FR 22967 (April 18, 2022) (SR-CboeEDGX-2022-023) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt on a Permanent Basis the Pilot Program for Market-Wide Circuit Breakers, Currently Codified in Rule 11.16).

⁸ See Exchange Rule 5.20.01.

⁹ See Exchange Rule 5.20.01(a). A Market Decline means a decline in price of the S&P 500 Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing price of the S&P 500 Index for the immediately preceding trading day. A Level 1 Market Decline means a Market Decline of 7%, a Level 2 Market Decline means a Market Decline of 13%, and a Level 3 Market Decline means a Market Decline of 20%.

¹⁰ See Exchange Rule 5.20.01(b) ("Halts in Trading"). The Exchange shall halt trading in all stock or stock options for 15 minutes if a Level 1 or Level 2 Market Decline occurs after 9:30 a.m. and before 3:26 p.m. (or 12:26 p.m. in the case of an early scheduled close). The Exchange will not halt trading if a Level 1 or Level 2 Market Decline occurs at 3:26 p.m. (12:26 p.m. on days with an early scheduled close) or later. The Exchange shall halt trading in all stocks and stock options until the next trading day if a Level 3 Market Decline occurs at any time during the trading day.

¹¹ See Cboe BYX Exchange Rules 11.18(a)(1)-(4) and 11.18(b); Cboe BZX Exchange Rules 11.18(a)(1)-(4) and 11.18(b); Cboe EDGA Exchange Rules 11.16(a)(1)-(4) and 11.16(b); Cboe EDGX Exchange Rules 11.16(a)(1)-(4) and 11.16(b).

the MWCB rules applicable to equity securities, the Exchange is also proposing to amend its rules to remove references to the MWCB rules applicable to equity securities. Rules 5.20.01(e)-(g) detail the MWCB testing requirements that were implemented as part of the adoption of the MWCB program on a permanent basis.¹² The Exchange is now proposing to remove the language in current Rules 5.20.01(a), 5.20.01(b), 5.20.01(c), 5.20.01(e), 5.20.01(f), and 5.20.01(g), as this language applies specifically to equity securities, which do not trade on the Exchange. Given that the introductory language in Rule 5.20.01 specifically states that stock options will be halted in the event of a market-wide circuit breaker,¹³ the MWCB rules applicable to equity securities (currently housed in Rules 5.20.01(a)-(c), (e)-(g)) are not necessary. The Exchange believes that by removing this language its rules regarding stock option halts due to market-wide circuit breakers will provide clarity for Trading Permit Holders¹⁴ and others who may rely on the rule.

As a result of the proposed changes described above, the remaining provisions of Rule 5.20.01 have been renumbered in order to provide additional clarity to Trading Permit Holders.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹⁵ Specifically, the Exchange believes the proposed rule change is consistent with the Section

¹² See Exchange Rule 5.20.01(e) ("Market-Wide Circuit Breaker Testing").

¹³ *Supra* note 8.

¹⁴ A Trading Permit Holder means "any individual, corporation, partnership, limited liability company or other entity authorized by the Rules that holds a Trading Permit." See Eleventh Amended and Restated Bylaws of Cboe Exchange, Inc. Section 1.1 ("Definitions"). A Trading Permit "means a license issued by the Exchange that grants the holder or the holder's nominee the right to access one or more facilities of the Exchange for the purpose of effecting transactions in securities traded on the Exchange without the services of another person acting as broker, and otherwise to access the facilities of the Exchange for purposes of trading or reporting transactions or transmitting orders or quotations in securities traded on the Exchange, or to engage in other activities that, under the Rules, may only be engaged in by Trading Permit Holders, provided that the holder or the holder's nominee, as applicable, satisfies any applicable qualification requirements to exercise those rights." See Exchange Rule 1.1 ("Definitions").

¹⁵ 15 U.S.C. 78f(b).

6(b)(5)¹⁶ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁷ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that removing the text in current Rules 5.20.01(a)–(c), (e)–(g) will promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest because the text being removed applies to equity securities, which do not currently trade on the Exchange. The language in Rules 5.20.01(a)–(c), (e)–(g) describes the applicable Market Declines, trading halts, reopening processes, and MWCBC testing requirements that are identical to the corresponding MWCBC rules in the Exchange's affiliated equities exchanges. Those rules are implemented exclusively by equities exchanges. As the Exchange does not trade equity securities, the Exchange believes it is confusing to have rule text that describes the MWCBC program within its rules and believes that limiting the text in Rule 5.20.01 to describe that stock options will be halted in the event of a MWCBC will eliminate potential confusion amongst Trading Permit Holders. The Exchange notes that competing exchanges have similar rule text regarding trading halts in options when a MWCBC commences in equity securities.¹⁸

For the foregoing reasons, the Exchange believes that the proposed change is consistent with the Act.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change is not intended to address competition, but rather, makes clarifying changes to Rule 5.20.01 in order to benefit all Trading Permit Holders equally. The Exchange does not believe that removing the MWCBC rule text that is applicable to equity securities would have any impact on competition as the revised rule text will look substantively similar to the rules of other competing options exchanges. The Exchange seeks to ensure consistency amongst exchanges with respect to this industry-wide program without implicating any competitive issues.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁹ and subparagraph (f)(6) of Rule 19b–4 thereunder.²⁰

A proposed rule change filed under Rule 19b–4(f)(6)²¹ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),²² the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange asked that the Commission waive the 30 day operative delay so that the proposal may become operative immediately upon filing. The

proposed rule change simply removes rule text that does not apply to stock options exchanges and would clarify the MWCBC halt process. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.²³

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)²⁴ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR–C2–2022–013 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090. All submissions should refer to File Number SR–C2–2022–013. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the

²³ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

²⁴ 15 U.S.C. 78s(b)(2)(B).

¹⁶ 15 U.S.C. 78f(b)(5).

¹⁷ *Id.*

¹⁸ See NYSE Arca Options Rule 6.65–O(e), which states “[t]he Exchange shall halt trading in all options whenever the equities markets initiate a market-wide trading halt commonly known as a circuit breaker in response to extraordinary market conditions.” See also MIAX Options Exchange Rule 504.03, which states “[t]he Exchange shall halt trading in all securities whenever a market-wide trading halt commonly known as a circuit breaker is initiated on the New York Stock Exchange in response to extraordinary market conditions.”

¹⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

²⁰ 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

²¹ 17 CFR 240.19b–4(f)(6).

²² 17 CFR 240.19b–4(f)(6)(iii).

Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange.

All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions.

You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-C2-2022-013 and should be submitted on or before August 4, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2022-15000 Filed 7-13-22; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-95227; File No. SR-MIAX-2022-25]

Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 532, Order and Quote Price Protection Mechanisms and Risk Controls

July 8, 2022.

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 29, 2022, Miami International Securities Exchange, LLC ("MIAX Options" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing a proposal to amend Exchange Rule 532, Order and Quote Price Protection Mechanisms and Risk Controls.

The text of the proposed rule change is available on the Exchange's website at <http://www.miaxoptions.com/rule-filings/> at MIAX Options' principal office, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Exchange Rule 532, Order and Quote Price Protection Mechanisms and Risk Controls, to (i) extend existing price protections to sell limit orders and Offer eQuotes for certain complex order spread strategies; (ii) make minor non-substantive edits to clarify existing rule text; and (iii) make non-substantive edits to correct numbering errors.

Background

Currently the Exchange offers three defined complex order spread strategies: Butterfly Spread, Calendar Spread, and Vertical Spread. A Butterfly Spread is a three legged Complex Order with two legs to buy (sell) the same number of calls (puts) and one leg to sell (buy) twice the number of calls (puts), all legs have the same expiration date but different exercise prices, and the exercise price of the middle leg is between the exercise prices of the other legs. The strike price of each leg is equidistant from the next sequential strike price.³ A Calendar Spread is a complex strategy consisting of the purchase of one call (put) option and the sale of another call (put) option

overlying the same security that have different expirations but the same strike price.⁴ A Vertical Spread is a complex strategy consisting of the purchase of one call (put) option and the sale of another call (put) option overlying the same security that have the same expiration but different strike prices.⁵

For each of the aforementioned strategies the Exchange offers a price protection. The Exchange will determine a Butterfly Spread Variance ("BSV") which establishes the minimum and maximum trading price limits for Butterfly Spreads.⁶ The minimum possible trading price limit of a Butterfly Spread is zero minus a pre-set value.⁷ The maximum possible trading price limit of a Butterfly Spread is the absolute value of the difference between the closest strikes (the upper strike price minus the middle strike price or the middle strike price minus the lower strike price) plus a pre-set value.⁸

The Exchange will determine a Calendar Spread Variance ("CSV") which establishes a minimum trading price limit for Calendar Spreads.⁹ The maximum possible value of a Calendar Spread is unlimited, thus there is no maximum price protection for Calendar Spreads. The minimum possible trading price limit of a Calendar Spread is zero minus a pre-set value.¹⁰

The Exchange will determine a Vertical Spread Variance ("VSV") which establishes minimum and maximum trading price limits for Vertical Spreads.¹¹ The maximum possible trading price limit of the VSV is the difference between the two component strike prices plus a pre-set value. For example, a Vertical Spread consisting of the purchase of one January 30 call and the sale of one January 35 call would have a maximum trading price limit of \$5.00 plus a pre-set value. The minimum possible trading price limit of a Vertical Spread is always zero minus a pre-set value.¹²

Proposal

The Exchange now proposes to extend the price protections for each of the aforementioned complex order spread

⁴ See Exchange Rule 532(b)(1)(ii).

⁵ See Exchange Rule 532(b)(1)(iii).

⁶ See Exchange Rule 532(b)(2).

⁷ The pre-set value used by the Exchange is \$0.10. See MIAX Options Exchange Regulatory Circular 2022-16, MIAX Order Price Protection Pre-set Values (March 4, 2022) available at https://www.miaxoptions.com/sites/default/files/circular-files/MIAX_Options_RC_2022_16.pdf.

⁸ See Exchange Rule 532(b)(2)(i).

⁹ See Exchange Rule 532(b)(3).

¹⁰ See Exchange Rule 532(b)(3)(i).

¹¹ See Exchange Rule 532(b)(4).

¹² See Exchange Rule 532(b)(4)(i).

²⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Exchange Rule 532(b)(1)(i).