

**DATE:** April 11, 2013

**TO:** MIAX Members

**FROM:** MIAX Regulatory Department

**RE:** Option Contracts Overlying 10 Shares of Certain Securities (“Mini Options”) – Related Rules and Fees

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MIAX recently amended its rules to allow for the listing and trading of Mini Options that deliver 10 shares of the underlying security. MIAX plans to roll out trading of Mini Options overlying five securities as follows: SPDR Gold Trust (“GLD”) and SPDR S&P 500 ETF Trust (“SPY”) on April 17, 2013; Amazon.com Inc. (“AMZN”) on April 18, 2013; and Apple, Inc. (“AAPL”) and Google Inc. (“GOOG”) on April 19, 2013.<sup>1</sup>

Below is a summary of MIAX rule filings and other information related to Mini Options.

**SR-MIAX-2013-06: Filing to List and Trade Mini Options**

On March 14, 2013, MIAX filed a notice of filing and immediate effectiveness of proposed rule changes to list and trade Mini Options.<sup>2</sup> In this filing, MIAX made changes to Rule 404 (Series of Option Contracts Open for Trading) to allow MIAX to list and trade Mini Options. MIAX also amended Rule 307 (Position Limits) to clarify that for purposes of position limits, ten (10) Mini Option contracts shall equal one (1) standard contract overlying 100 shares. Lastly, MIAX amended Rule 509 (Meaning of Premium Bids and Offers) to clarify that bids and offers for Mini Options shall be expressed in terms of dollars per 1/10th part of the total value of the contract. Therefore, an offer of “.50” shall represent premium of \$5.00 (.50 X 10 shares) for an option contract having a unit of trading consisting of 10 shares.

**SR-MIAX-2013-10: Minimum Price Variations for Mini Options**

On March 15, 2013, MIAX filed a notice of filing and immediate effectiveness of proposed rule changes regarding Minimum Price Variations (“MPVs”) for Mini Options.<sup>3</sup> In this filing, MIAX amended Rule 404 and Rule 510 (Minimum Price Variations and Minimum Trading Increments) to establish that MPVs for Mini Options shall be the same as permitted for Standard Options on the same security. For example, if a security participates in the Penny Pilot Program, Mini Options on the same underlying security may be quoted in the same minimum increments.

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<sup>1</sup> See Listing Alerts for further details relating to each of the listed securities.

<sup>2</sup> See Securities Exchange Act Release No. 69136 (March 14, 2013), 78 FR 17259 (March 20, 2013) (SR-MIAX-2013-06).

<sup>3</sup> See Securities Exchange Act Release No. 69166 (March 18, 2013), 78 FR 17970 (March 25, 2013) (SR-MIAX-2013-10).

**SR-MIAX-2013-16: Fee Schedule for Mini Options**

On April 5, 2013, MIAX filed a notice of filing and immediate effectiveness modifying its Fee Schedule to establish fees for Mini Options to apply when MIAX begins trading Mini Options.<sup>4</sup> The filing established fees for Mini Options that are, in some cases, lower than fees for Standard Options and, in other cases, the same as Standard Options.

Below is a chart providing a comparison of the transaction fees for Standard Options and Mini Options:

<b>Type of MIAX Participant</b>	<b>Standard Options Transaction Fee (per executed contract)</b>	<b>Mini Options Transaction Fee (per executed contract)</b>
<i>Registered Market Maker</i>	<b>\$ 0.23</b>	<b>\$ 0.023</b>
<i>Lead Market Maker</i>	<b>\$ 0.20</b>	<b>\$ 0.020</b>
<i>Directed Order—Lead Market Maker</i>	<b>\$ 0.18</b>	<b>\$ 0.018</b>
<i>Primary Lead Market Maker</i>	<b>\$ 0.18</b>	<b>\$ 0.018</b>
<i>Directed Order— Primary Lead Market Maker</i>	<b>\$ 0.16</b>	<b>\$ 0.016</b>
<i>Priority Customer</i>	<b>\$ 0.00</b>	<b>\$ 0.000</b>
<i>Public Customer that is Not a Priority Customer</i>	<b>\$ 0.25</b>	<b>\$ 0.025</b>
<i>Non-MIAX Market Maker</i>	<b>\$ 0.45</b>	<b>\$ 0.045</b>
<i>Non-Member Broker-Dealer</i>	<b>\$ 0.45</b>	<b>\$ 0.045</b>
<i>Firm</i>	<b>\$ 0.25</b>	<b>\$ 0.025</b>

Below is a chart providing a comparison of the Marketing Fees for Standard Options and fees for Mini Options:

<b>Amount of Marketing Fee Assessed</b>	<b>Option Classes</b>
<b>\$0.70 (per contract)</b>	Transactions in Standard Option Classes that are not in the Penny Pilot Program
<b>\$0.25 (per contract)</b>	Transactions in Standard Option Classes that are in the Penny Pilot Program
<b>\$0.070 (per contract)</b>	Transactions in Mini Options where the corresponding Standard Option is not in the Penny Pilot Program
<b>\$0.025 (per contract)</b>	Transactions in Mini Options where the corresponding Standard Option is in the Penny Pilot Program

<sup>4</sup> See (SR-MIAX-2013-16) available at [http://www.miaxoptions.com/sites/default/files/filing-files/SR\\_MIAX\\_2013\\_16.pdf](http://www.miaxoptions.com/sites/default/files/filing-files/SR_MIAX_2013_16.pdf).

The filing provided that the Fixed Fee Surcharge that applies to Public Customer orders routed to another options exchange remain the same for Mini Options as established for Standard Options. The filing also provided the Options Regulatory Fee remain the same for Mini Options as established for Standard Options.

**MIAX Rule 604(a)(2) - Minimum Size of Market Maker Quotes for Mini Options**

Pursuant to MIAX Rule 604(a)(2), the minimum number of contracts for Market Maker Standard Quotes in Mini Options will be ten (10) contracts. The minimum number of contracts for Market Maker Day eQuotes, and all other types of eQuotes will be one (1) contract.

**Symbology**

The option symbol for each Mini Option will be the same symbol that currently exists for the Standard Option on the same security followed by the number seven (7). Specifically, the option symbols for Mini Options will be: AAPL7, AMZN7, GLD7, GOOG7, SPY7.

Please direct any questions to the Regulatory Department at [Regulatory@miaxoptions.com](mailto:Regulatory@miaxoptions.com).