



Regulatory Notice 23-03

DATE: March 24, 2023

TO: All Members of MEMX LLC

FROM: MEMX Regulation & MEMX Compliance

RE: Mandatory Participation in Market-Wide Circuit Breaker Testing

On March 16, 2022, the Securities and Exchange Commission (SEC) formally approved permanent adoption of the pilot program for Market-Wide Circuit Breakers ("MWCB") in NYSE Rule 7.12. The Exchange recently adopted the same change to make its pilot MWCB permanent through an amendment to MEMX Rule 11.16. Rule 11.16 provides important, automatic mechanisms that are designed to slow the effects of extreme price declines through coordinated trading halts across both cash equity and equity options securities markets.

Consistent with the amendment to Rule 11.16, certain members designated by MEMX are now required to participate in at least one industry-wide MWCB test each year and to verify participation in the test by attesting that they are able to or have attempted to:

- (i) receive and process MWCB halt messages from the securities information processors ("SIP");
- (ii) receive and process resume messages from the SIPs a MWCB halt;
- (iii) receive and process market data from the SIPs relevant to MWCB halts; and
- (iv) send orders following a Level 1 or Level 2 MWCB halt in a manner consistent with their usual trading behavior.

To the extent that a Member participating in the MWCB is unable to receive and process any of the messages outlined above and contained in Rule 11.6(h), its attestation should notify the Exchange which messages it was unable to process and, if known, why.

The Exchange encourages all Members, including those not designated pursuant to the standards established in paragraph (a) of Rule 2.4 to participate in any MWCB test.

Designation Criteria

The percentage of volume that the Exchange considers to be meaningful is 5% or greater of executed volume measured in the first quarter of 2023. Members meeting this threshold will be designated by the Exchange via individual communication.

Upcoming Testing

The SIPs' current MWCB testing schedule includes:



2022 Testing Year:

- Saturday, April 1, 2023 – SIP Failover / MWCB Level 1 and Level 2

2023 Testing Year:

- Saturday, July 22, 2023 – MWCB Level 1, Level 2 and Level 3
- Saturday, September 9, 2023 – SIP Failover / MWCB Level 1 and Level 2
- Saturday, December 2, 2023 – SIP Failover / MWCB Level 1 and Level 2
- First 2024 date – to be announced

Additional Information

For additional information about participation requirements and designation please contact MEMX Compliance at compliance@memx.com.

For questions or inquiries regarding regulatory matters, please contact MEMX Regulation: regulation@memx.com.