



Regulatory Notice 23-12

DATE: September 14, 2023
TO: Members of MEMX Options
FROM: MEMX Regulation
RE: Options Position Limits

MEMX LLC (“MEMX” or the “Exchange”) is issuing this regulatory notice to inform Members of the specific position limits applicable to options trading on the MEMX Options Exchange (“MEMX Options”), pursuant to MEMX Rule 18.7, which states in part:

(a) No Options Member shall make, for any account in which it has an interest or for the account of any Customer, an opening transaction on any exchange if the Options Member has reason to believe that as a result of such transaction the Options Member or its Customer would, acting alone or in concert with others, directly or indirectly:

(1) exceed the applicable position limit fixed from time to time by the Exchange for any options contract traded on MEMX Options; or

(2) exceed the applicable position limit fixed from time to time by another exchange for an options contract not traded on MEMX Options.

The position limits applicable are those calculated and disseminated by the Options Clearing Corporation (“OCC”), and absent certain exceptions, are either 25,000, 50,000, 75,000, 200,000 or 250,000 contracts (whether long or short) of the put type and the call type on the same side of the market respecting the same underlying security, combining for purposes of this position limit long positions in put options with short positions in call options, and short positions in put options with long positions in call options. The position limits are published daily and may be found on the OCC’s website at <https://www.theocc.com/market-data/market-data-reports/series-and-trading-data/position-limits>.

Limits are determined in the following manner:

(1) A 25,000 contract limit applies to those options having an underlying security that does not meet the requirements for a higher options contract limit.

(2) To be eligible for the 50,000 contract limit, either the most recent six (6) month trading volume of the underlying security must have totaled at least twenty (20) million shares, or the most recent six (6) month trading volume of the underlying security must have totaled at least fifteen (15) million shares and the underlying security must have at least forty (40) million shares currently outstanding.

(3) To be eligible for the 75,000 contract limit, either the most recent six (6) month trading volume of the underlying security must have totaled at least forty (40) million shares or the most recent six (6) month trading volume of the underlying

security must have totaled at least thirty (30) million shares and the underlying security must have at least 120 million shares currently outstanding.

(4) To be eligible for the 200,000 contract limit, either the most recent six (6) month trading volume of the underlying security must have totaled at least eighty (80) million shares or the most recent six (6) month trading volume of the underlying security must have totaled at least sixty (60) million shares and the underlying security must have at least 240 million shares currently outstanding.

(5) To be eligible for the 250,000 contract limit, either the most recent six (6) month trading volume of the underlying security must have totaled at least 100 million shares or the most recent six-month trading volume of the underlying security must have totaled at least seventy-five (75) million shares and the underlying security must have at least 300 million shares currently outstanding.

Notwithstanding the above, the current position limits applicable to option contracts on the securities listed in the chart below are as follows¹:

Security Underlying Option	Position Limit
SPDR Dow Jones® Industrial Average ETF Trust (DIA)	300,000 contracts
SPDR® S&P 500® ETF Trust (SPY)	3,600,000 contracts
iShares® Russell 2000® ETF (IWM)	1,000,000 contracts
INVESCO QQQ Trust SM , Series 1 (QQQ)	1,800,000 contracts
iShares MSCI Emerging Markets ETF (EEM)	1,000,000 contracts
iShares China Large-Cap ETF (FXI)	1,000,000 contracts
iShares MSCI EAFE ETF (EFA)	1,000,000 contracts
iShares MSCI Brazil Capped ETF (EWZ)	500,000 contracts
iShares 20+ Year Treasury Bond Fund ETF (TLT)	500,000 contracts
iShares MSCI Japan ETF (EWJ)	500,000 contracts
iShares iBoxx High Yield Corporate Bond Fund (HYG)	500,000 contracts
Financial Select Sector SPDR Fund (XLF)	500,000 contracts
iShares iBoxx \$ Investment Grade Corporate Bond ETF ("LQD")	500,000 contracts
VanEck Vectors Gold Miners ETF ("GDX")	500,000 contracts

Additional Information

For additional information about position limits please contact MEMX Regulation at regulation@memx.com.

¹ These position limits are subject to change, and any such changes will be disseminated by the OCC, as noted above.