



Regulatory Notice 24-12

DATE: March 27, 2024

TO: All Members of Members Exchange

FROM: MEMX Regulation

RE: Excused Withdrawals of Market Maker Quotations

This Regulatory Notice is being provided by Members Exchange (“MEMX” or “Exchange”) to all MEMX Market Makers as a reminder of the excused withdrawal process. MEMX rule 11.20(d)(1) states that all MEMX registered Market Makers must enter and continuously maintain a two-sided trading interest. MEMX rule 22.6(d) states that all MEMX registered Options Market Makers must enter continuous bids and offers in 60% of the cumulative number of seconds, or such higher percentage as the Exchange may announce in advance. There are certain circumstances where excused withdrawals are permitted.

For MEMX registered Equities Market Makers, as set forth in MEMX Rule 11.20(d)(1)(A), if a technical failure or limitation of a system of the Exchange prevents a Market Maker from maintaining or communicating to the Exchange timely and accurate quotes in each security in which such Member is registered as a Market Maker, the duration of such failure shall not be considered in determining whether the Market Maker has satisfied the quoting obligations with respect to that security.

For MEMX registered Options Market Makers, as set forth in MEMX Rule 22.6(d)(2), if a technical failure or limitation of the system prevents a Market Maker from maintaining or communicating to the Exchange timely and accurate quotes in a series, the Exchange does not consider the duration of such failure when determining whether the Market Maker has satisfied the 60% quoting standard with respect to that series.

Accordingly, a MEMX Market Maker that wishes to obtain excused withdrawal status based on technical difficulties, or connectivity problems shall make a submission to excusedwithdrawals@memx.com for Equities and optionexcusedwithdrawals@memx.com for Options. The submission is required to be made no later than the close of business on the day for which the initial failure occurred and must provide the reason for the request, the list of securities for which the MEMX Market Maker is seeking relief and, to the extent possible, an estimate of the amount of time for which the interruption in quoting is anticipated to exist. MEMX Regulation may recognize excused withdrawal status based on technical issues for up to five (5) business days, unless extended by MEMX Regulation. Such extensions will be considered on a case-by-case basis upon written request by the MEMX Market Maker.

The Exchange may consider exceptions to the two-sided quotation obligation other than technical issues. Thus, a MEMX Market Maker that wishes to temporarily withdraw quotations for any other reason, such as illness, staffing limitations, or physical circumstances beyond the MEMX Market Maker's control, shall notify the Exchange of such withdrawal consistent with the submission guidelines set forth above. Depending on the circumstances, an excused withdrawal may be granted for up to five (5) business days, unless extended by MEMX Regulation.

Excused withdrawal status based on investment activity or legal requirements, accompanied by a representation that the condition necessitating the withdrawal of quotations is not permanent in nature, may, upon written request, be granted for not more than sixty (60) days.

The withdrawal of quotations due to pending news or a sudden influx of orders or price changes shall not normally constitute acceptable reasons for granting excused withdrawal status, unless MEMX has initiated a trading halt for the security.

Please contact MEMX Regulation at regulation@memx.com for further information.