

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105300; File No. SR-SAPPHIRE-2026-12]

### **Self-Regulatory Organizations; MIAX Sapphire, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adopt Rule 2050, Trading Floor Order Price Protection Mechanisms and Risk Controls**

April 23, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 13, 2026, MIAX Sapphire, LLC (“MIAX Sapphire” or “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 proposes to amend Exchange Rule 2050, to establish a Trading Floor Order Price Protection Mechanisms and Risk Controls rule, and within proposed Rule 2050, adopt the Trading Floor Price Collar Protection (“TFPCP”) feature.

The text of the proposed rule change is available on the Exchange’s website at <https://www.miaxglobal.com/markets/us-options/miax-sapphire/rule-filings>, and at the Exchange’s principal office.

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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

On July 15, 2024, the U.S. Securities and Exchange Commission (“Commission”) approved the Exchange’s Form 1 application to register as a national securities exchange under Section 6 of the Exchange Act.<sup>3</sup> At that time, the Exchange adopted its Rulebook which established rules for the physical Trading Floor.<sup>4</sup> The Trading Floor supports Qualified Floor Orders (“QFOs”) and complex Qualified Floor Orders (“cQFOs”).<sup>5</sup> The Exchange provides a price protection feature for these order types, the Trading Floor Price Collar Protection (“TFPCP”) feature, and is proposing to harmonize the Exchange’s Rulebook with the operation of the Exchange’s System<sup>6</sup> by describing the operation of the TFPCP feature in detail. The price protection feature is designed to help maintain a fair and orderly market by helping to mitigate the potential risk of validating trades at prices that are extreme and potentially erroneous.

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<sup>3</sup> See Securities Exchange Act Release No. 100539 (July 15, 2024), 89 FR 58848 (July 19, 2024) (File No. 10-240) (order approving application of MIAX Sapphire, LLC for registration as a national securities exchange). (Exhibit B) (establishing rules for the physical Trading Floor).

<sup>4</sup> The term “Trading Floor” or “Floor” means the physical trading floor of the Exchange located in Miami, Florida. The Trading Floor shall consist of one “Crowd Area” or “Pit” where Floor Participants will be located and option contracts will be traded. The Crowd Area or Pit shall be marked with specific visible boundaries on the Trading Floor, as determined by the Exchange. A Floor Broker must represent all orders in an “open outcry” fashion in the Crowd Area. See Exchange Rule 100.

<sup>5</sup> See Exchange Rule 2040.

<sup>6</sup> The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

The TFPCP feature prevents QFOs and cQFOs from trading at extreme and potentially erroneous prices by establishing a price range outside of which the order will not be validated and instead will be invalidated and returned to the Floor Broker<sup>7</sup> by the System. Accordingly, the Exchange proposes to adopt new Rule 2050, Trading Floor Order Price Protection Mechanisms and Risk Controls, and to adopt new paragraph (a), Trading Floor Price Collar Protection (“TFPCP”) to the Rule.

#### Trading Floor Price Collar Protection

The Exchange has established default TFPCP settings and the TFPCP feature is applied to all QFOs and cQFOs, unless an instruction to ignore the TFPCP is provided in the order. If the price of a QFO or cQFO is greater (less) than the opposite side NBO (NBB) or cNBO (cNBB) plus (minus) the TFPCP value when the QFO or cQFO is received by the System, the TFPCP feature will be triggered and the QFO or cQFO will be invalidated and returned to the Floor Broker by the System. Each Floor Broker may establish TFPCP values to be applied to all QFOs or cQFOs by MPID, which will override the default Exchange settings. The Exchange has developed a form for Floor Brokers to use in order to communicate their desired TFPCP settings to the Exchange. A Floor Broker may populate the form with their TFPCP settings and return the form to the Exchange’s Help Desk.<sup>8</sup> The Help Desk will then configure the Floor Broker’s TFPCP settings into the System by MPID.

The Exchange default setting for QFOs is \$0.10. A Floor Broker may provide a TFPCP value between \$0.00 and \$99.99 to use in place of the Exchange default setting. The Exchange

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<sup>7</sup> A Floor Broker is an individual who is registered with the Exchange for the purpose, while on the Trading Floor, of accepting and handling options orders. A Floor Broker must be registered as a Floor Participant prior to registering as a Floor Broker. See Exchange Rule 2015.

<sup>8</sup> The term “Help Desk” means the Exchange’s control room consisting of Exchange staff authorized to make certain trading determinations on behalf of the Exchange. The Help Desk shall report to and be supervised by a senior executive officer at the Exchange. See Exchange Rule 100.

default setting for cQFOs is equal to the greater of \$2.50 or 1% of the cQFO price. A Floor Broker may provide a TFPCP value between \$0.01 and \$99.99 to use in place of the Exchange default setting and a percentage TFPCP value between 0.1% and 20% to be multiplied by the cQFO price. The Exchange will use the greater of the Floor Broker provided TFPCP value, or the percentage TFPCP value multiplied by the cQFO price, in place of the Exchange default setting.

The following examples illustrate the operation of the TFPCP feature on QFOs and cQFOs using the Exchange's default settings.

**Example 1 (QFO NBO)**

Default TFPCP setting \$0.10

NBBO:<sup>9</sup> \$1.40 x \$1.60

TFPCP is \$1.30 x \$1.70

Order #1 received: QFO Buy @ \$1.71

The TFPCP feature is triggered as the \$1.71 limit price of the order is greater than the TFPCP protection of \$1.70 and the QFO is invalidated and returned to the Floor Broker by the System.

**Example 2 (QFO NBB)**

Default TFPCP setting \$0.10

NBBO: \$1.40 x \$1.60

TFPCP is \$1.30 x \$1.70

Order #1 received: QFO Sell @ \$1.29

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<sup>9</sup> The term "NBBO" means the national best bid or offer as calculated by the Exchange based on market information received by the Exchange from OPRA. See Exchange Rule 100.

The TFPCP feature is triggered as the \$1.29 limit price of the order is less than the TFPCP protection of \$1.30 and the QFO is invalidated and returned to the Floor Broker by the System.

**Example 3 (cQFO cNBO)**

Default TFPCP setting = greater of either a) \$2.50; or b) 1% of the cQFO price

cNBBO:<sup>10</sup> \$300 x \$325

Order #1 received: cQFO Buy @ \$329

TFPCP setting is greater of either a) \$2.50 or b) 1% x \$329 or \$3.29

TFPCP is: \$296.71 x \$328.29

The TFPCP feature is triggered as the \$329 price of the order is greater than the TFPCP protection of \$328.29 and the cQFO is invalidated and returned to the Floor Broker by the System.

**Example 4 (cQFO cNBB)**

Default TFPCP setting = greater of either a) \$2.50; or b) 1% of the cQFO price

cNBBO: \$100 x \$125

Order #1 received: cQFO Sell @ \$97.49

TFPCP setting is greater of either a) \$2.50 or b) 1% x \$97.49 or \$0.9749

TFPCP is: \$97.50 x \$127.50

The TFPCP feature is triggered as the \$97.49 price is less than the TFPCP protection of \$97.50 and the cQFO is invalidated and returned to the Floor Broker by the System.

In all the examples above when the QFO (cQFO) is invalidated and returned to the Floor Broker, the Floor Broker may either: (i) re-execute the QFO (cQFO) at a price at or within the

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<sup>10</sup> The cNBBO is calculated using the NBBO for each component of a complex strategy to establish the best net bid and offer for a complex strategy. See Exchange Rule 518(a).

TFPCP setting and reenter the QFO (cQFO) into the System; (ii) re-execute the QFO (cQFO) and enter it into the System with an instruction to ignore the TFPCP feature or; (iii) not re-enter the QFO (cQFO) into the System. The Exchange believes that invalidating the QFO (cQFO) and returning it to the Floor Broker will afford the Floor Broker the opportunity to evaluate and confirm the price of the QFO (cQFO).

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>11</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>12</sup> in particular, in that it is 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. The Exchange also believes the proposed rule change is consistent with the Section 6(b)(5)<sup>13</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(1)<sup>14</sup> requirement that it be so organized and have the capacity to be able to carry out the purposes of the Act and to comply, and to

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<sup>11</sup> 15 U.S.C. 78f(b).

<sup>12</sup> 15 U.S.C. 78f(b)(5).

<sup>13</sup> Id.

<sup>14</sup> 15 U.S.C. 78(b)(1).

enforce compliance by its Members<sup>15</sup> and persons associated with its Members, with the provisions of the Act, the rules and regulations thereunder, and the Exchange's Rules.

The Exchange believes that the Trading Floor Price Collar Protection feature is consistent with the Act because it is designed 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 by avoiding the execution of Qualified Floor Orders and complex Qualified Floor Orders at prices that are significantly away from the NBBO or cNBBO.

The Exchange offers a number of price protections in its electronic market that establish minimum and maximum trading ranges that similarly prevent executions at potentially erroneous prices. Specifically, the Exchange provides the MIAX Strategy Price Protection ("MSPP")<sup>16</sup> for complex orders and a Complex MIAX Sapphire Price Collar Protection,<sup>17</sup> in addition to Butterfly Spread Variance Price Protection,<sup>18</sup> Calendar Spread Variance Price Protection,<sup>19</sup> and Vertical Spread Variance Price Protection.<sup>20</sup> The Exchange believes that providing similar price protection parameters and mechanisms to prevent executions on the Trading Floor from being

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<sup>15</sup> The term "Member" means an individual or organization that is registered with the Exchange pursuant to Chapter II of these Rules for purposes of trading on the Exchange as an "Electronic Exchange Member" or "Market Maker." Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

<sup>16</sup> The System provides a MIAX Strategy Price Protection ("MSPP") for complex orders. The MSPP establishes a maximum protected price for buy orders and a minimum protected price for sell orders. See Exchange Rule 532(c)(5).

<sup>17</sup> The System provides a Complex MIAX Price Collar ("MPC") price protection feature for complex orders. The MPC is an Exchange-wide price protection mechanism under which a complex order to sell will not be displayed or executed at a price that is lower than the opposite side cNBBO bid at the time the MPC is assigned by the System (i.e., upon receipt or upon opening) by more than a specific dollar amount expressed in \$0.01 increments (the "MPC Setting"), and under which a complex order to buy will not be displayed or executed at a price that is higher than the opposite side cNBBO at the time the MPC is assigned by the System by more than the MPC Setting (each the "MPC Price"). See Exchange Rule 532(c)(6).

<sup>18</sup> See Exchange Rule 532(c)(2).

<sup>19</sup> See Exchange Rule 532(c)(3).

<sup>20</sup> See Exchange Rule 532(c)(4).

validated at potentially erroneous prices promotes the protection of investors and the public interest and perfects the mechanism of a free and open market and national market system.

The Exchange further believes that the Trading Floor Price Collar Protection feature protects investors and the public interest in that it is reasonably designed to provide Floor Brokers with additional tools to assist them in managing their risk exposure. Specifically, the Trading Floor Price Collar Protection allows Floor Brokers to mitigate the potential risks associated with entering QFOs and cQFOs that result in the validation of trades at prices that are extreme and potentially erroneous. The Exchange notes that Floor Brokers may choose to ignore the TFPCP feature on an order-by-order basis by providing an instruction in the order message either upon submission or re-submission of the order.

The Exchange believes the proposed changes remove impediments to and perfects the mechanism of a free and open market and a national market system and, in general, protects investors and the public interest by describing available risk protection functionality for Floor Brokers in the Exchange's Rules.

**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 Exchange believes that the proposed rule change will foster competition by clearly describing the operation of the TFPCP feature in the Exchange's Rulebook therefore providing Floor Brokers additional detail and clarity regarding the use and operation of a risk management tool.

Additionally, the Exchange believes that the proposed rule change should promote competition as it is designed to allow Floor Brokers greater flexibility and control of their risk exposure. The Exchange does not believe the proposed rule change will impose a burden on

intra-market competition as the TFPCP feature is equally applied to all QFO and cQFO orders, and may be disabled by Floor Brokers on an order-by-order basis. Thus, the Exchange does not believe that the TFPCP feature creates any significant impact on competition.

The Exchange believes that the proposed rule change should promote inter-market competition as the TFPCP feature is designed to allow Floor Brokers greater flexibility and control over their risk exposure in order to protect them from market risk or events that may increase their exposure in the market. Additionally, the TFPCP should instill additional confidence in market participants that submit orders to the Exchange that there are adequate risk protections in place, and thus should encourage market participants to submit additional order flow to the Exchange, thereby promoting inter-market competition.

For all the reasons stated, the Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, and believes the proposed change will enhance competition.

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

Written comments were neither solicited nor received.

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

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>21</sup> and Rule 19b-4(f)(6)<sup>22</sup> thereunder. Because the 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

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<sup>21</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>22</sup> 17 CFR 240.19b-4(f)(6).

it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>23</sup> and Rule 19b-4(f)(6)<sup>24</sup> thereunder.

At any time within 60 days of the filing of this 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.

#### 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 (<https://www.sec.gov/rules/sro.shtml>);  
or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-SAPPHIRE-2026-12 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-SAPPHIRE-2026-12. This file number should be included on the subject line if email is used. To help the Commission process and

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<sup>23</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>24</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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.

review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>).

Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-SAPPHIRE-2026-12 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

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

**Sherry R. Haywood,**  
*Assistant Secretary.*

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<sup>25</sup> 17 CFR 200.30-3(a)(12).