



July 13, 2023

Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street NE., Washington, DC 20549

Re: File Number SR-MIAX-2023-22: Filing of Proposed Rule Change to Amend Exchange Rule 404, Series of Option Contracts Open for Trading, to Implement a Low Priced Stock Strike Price Interval Program

Dear Ms. Countryman:

SIFMA¹ appreciates commenting on the Miami International Securities Exchange LLC (“MIAX” or “Exchange”) proposed rulemaking (the “Proposal”).² SIFMA recommends the Securities and Exchange Commission (“SEC”) approve the Proposal, which would implement a new strike interval program for stocks that are priced less than \$2.50 and have open interest equal to or greater than 1,000 contracts.

The Proposal would introduce the Low Priced Stock Strike Price Interval Program for stocks that are not covered under MIAX’s existing Rule 404. The Proposal would introduce a \$0.50 strike program for stocks that close below \$2.50 and have open interest equal to or greater than 1,000 contracts. Under the Proposal, once a stock is added to the new program, the Exchange may list \$0.50 strike price intervals from \$0.50 up to \$2.00 which addresses a gap in strike coverage for low priced securities. Currently, the \$0.50 strike program codified under MIAX Rule 404, only considers stocks that close below \$5.00 and limits the number of option classes listed to no more than 20 individual stocks. The new strike program does not limit the number of stocks.

The Exchange notes it will only add strikes based on investor demand which will improve market quality. While the Proposal will moderately increase the total number of options

¹ SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry’s one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

² See Release No. 34-97733 (June 15, 2023), 88 FR 40887 (June 22, 2023).

series, SIFMA concurs that it does not contravene the industry’s efforts to curtail unnecessary strikes since the Proposal targets only those stocks that close under \$2.50 and meet the open interest requirement of 1,000 or more contracts. For stocks that meet these criteria, the Proposal provides a total of only four strikes that may be listed under the program (\$0.50, \$1.00, \$1.50, and \$2.00).

The Proposal illustrates how the proposed low priced stock strike price interval program would benefit investors in a subset of stocks trading under \$2.50 that do not have meaningful strikes available. For example, Sonder Holdings Inc. (“SOND”) closed at \$0.82 on March 20, 2023, and had open interest of 34,566 contracts. Currently, the lowest strike listed for the stock is \$2.50, making the lowest strike 200% away from the closing stock price. Products such as these presently have no at-the-money options. However, the increased granularity of strikes under the Proposal will create out-of-the-money puts and in-the-money calls at \$.50 intervals for such stocks, offering investors more meaningful trading and hedging opportunities in such stocks.

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SIFMA greatly appreciates the opportunity to comment on the Proposal to implement a Low Priced Stock strike price interval program. For the reasons discussed in our letter, SIFMA recommends that the SEC approve the Proposal. If you have any questions or need any additional information, please contact Ellen Greene (at 212-313-1000 or egreene@sifma.org).

Sincerely,



Ellen Greene
Managing Director
Equities & Options Market Structure