

MIAX Pearl Equities Exchange Regulatory Circular 2022-04

DATE: July 20, 2022

TO: MIAX Pearl Equities Members

FROM: MIAX Regulatory Department

RE: Market Wide Circuit Breaker Testing
Member Designation Standards

MIAX Pearl, in coordination with other market centers and the Securities Information Processors (“SIPs”) will participate in the annual Market Wide Circuit Breaker (“MWCB”) test.

In accordance with MIAX Pearl Rule 2622, Limit Up-Limit Down Plan and Trading Halts, MIAX Pearl will notify certain MIAX Pearl Equities Members (“Members”) that have mandatory participation requirements in the annual MWCB test. Designated Members are required to maintain connection to the MIAX Pearl Equities DR systems for a twelve (12) month period after receiving notification for mandatory testing. Non-qualifying Members are encouraged to participate; however, they are not obligated to do so.

Designated Members must attest that they are able to or have attempted to:

- Receive and process MWCB halt messages from the SIPs
- Receive and process resume messages from the SIPs following a MWCB halt
- Receive and process market data from the SIPs relevant to MWCB halts, and
- Send orders following a Level 1 or Level 2 MWCB halt in a manner consistent with their usual trading behavior

To the extent that an Equity Member participating in a MWCB test is unable to receive and process any of the messages required for MWCB testing, its attestation should notify the Exchange which messages it was unable to process and, if known, why.

Submitted attestations to Regulatory@MIAXEquities.com.

Test Dates

- Saturday, July 23, 2022: SIP Failover / MWCB Level 1/2 Test #2
- Saturday, September 10, 2022: MWCB Level 1/2 and 3
- Saturday, December 3, 2022: SIP Failover / MWCB Level 1/2 Test #3

Designation Standards

Electronic Exchange Members (EEMs):

- MIAX Pearl Equities EEMs providing the largest order flow executed volume on the MIAX Pearl Equities Exchange which, when combined with order flow volume of all other MIAX Pearl Equities EEMs providing the largest order flow volume, equals or exceeds 70% of total order flow executed volume on the MIAX Pearl Equities Exchange.

Market Makers (MMs):

- MIAX Pearl Equities MMs providing the largest MM executed volume on the MIAX Pearl Equities Exchange which, when combined with MM volume of all other MIAX Pearl Equities MMs providing the largest MM executed volume, equals or exceeds 70% of total MM executed volume on the MIAX Pearl Equities Exchange.

Routing Broker Dealers (RBDs)

- MIAX Pearl Equities RBDs must participate in the MWCB testing.

Measurement Quarter:

- Volume shall be measured over the measurement quarter defined as January 1st through March 31st each year.

Notice to Designated Members

MIAX Pearl Equities will individually notify Members of their designation as such (including the MIAX Pearl Equities Exchange volume percentage(s) such designation is based upon) promptly following completion of the applicable measurement quarter. Members designated for the first time will become subject to the requirements of MIAX Pearl Equities Rule 321 in the next calendar quarter following their receipt of notice of designation from MIAX Pearl Equities. For example, Members meeting the Designation Standards in the January 1, 2022 through March 31, 2022 measurement quarter will be notified by MIAX Pearl Equities that they are designated Members in early April 2022. The Member will be required to connect to the MIAX Pearl Equities DR systems in the calendar quarter commencing July 1, 2022 and participate in MWCB testing occurring in or after that calendar quarter.

For questions regarding MWCB testing, contact Trading Operations Department at TradingOperations@MIAXEquities.com or (609) 897-7302.

Direct Regulatory inquiries to Regulatory@MIAXEquities.com or (609) 897-7309.