

Required fields are shown with yellow backgrounds and asterisks.

Filing by MIAX PEARL, LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

<b>Initial *</b> <input checked="" type="checkbox"/>	<b>Amendment *</b> <input type="checkbox"/>	<b>Withdrawal</b> <input type="checkbox"/>	<b>Section 19(b)(2) *</b> <input type="checkbox"/>	<b>Section 19(b)(3)(A) *</b> <input checked="" type="checkbox"/>	<b>Section 19(b)(3)(B) *</b> <input type="checkbox"/>
<b>Pilot</b> <input type="checkbox"/>	<b>Extension of Time Period for Commission Action *</b> <input type="checkbox"/>	<b>Date Expires *</b> <input type="text"/>	<b>Rule</b>		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

<b>Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010</b>	<b>Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934</b>
<b>Section 806(e)(1) *</b> <input type="checkbox"/>	<b>Section 806(e)(2) *</b> <input type="checkbox"/>
	<b>Section 3C(b)(2) *</b> <input type="checkbox"/>

<b>Exhibit 2 Sent As Paper Document</b> <input type="checkbox"/>	<b>Exhibit 3 Sent As Paper Document</b> <input type="checkbox"/>
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**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

Proposes to amend Exchange Rules 100, 402, 403, 404, 404A, 406, 500, 503, 515, and 519 to make minor, non-substantive edits and clarifying changes to the rule text.

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Katherine	Last Name * Comly
Title * Legal Associate	
E-mail * kcomly@miami-holdings.com	
Telephone * (609) 613-1396	Fax

**Signature**

Pursuant to the requirements of the Securities Exchange of 1934, MIAX PEARL, LLC has duty caused this filing to be signed on its behalf by the undersigned thereunto duty authorized.

Date 09/24/2021	(Title *)
By Michael Slade <small>(Name *)</small>	AVP, Associate Counsel

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

*Michael Slade* Date: 2021.09.24 11:00:04 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

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SR-PEARL-2021-43 19b4.docx

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

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SR-PEARL-2021-43 Exhibit 1.docx

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

**Exhibit 3 - Form, Report, or Questionnaire**

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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SR-PEARL-2021-43 Exhibit 5.docx

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

**1. Text of the Proposed Rule Change**

(a) MIAX PEARL, LLC (“MIAX Pearl” or “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> proposes to amend Exchange Rules 100, Definitions, 402, Criteria for Underlying Securities, 403, Withdrawal of Approval of Underlying Securities, 404, Series of Option Contracts Open for Trading, 404A, Select Provisions of Options Listing Procedures Plan, 406, Long-Term Option Contracts, 500, Access to and Conduct on the Exchange, 503, Openings on the Exchange, 515, Execution of Orders, and 519, MIAX Pearl Order Monitor (“MOM”), to make minor, non-substantive edits and clarifying changes to the rule text.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

**2. Procedures of the Self-Regulatory Organization**

The proposed rule change was approved by the Chief Executive Officer of the Exchange or his designee pursuant to authority delegated by the MIAX Pearl Board of Directors on January 28, 2021. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the proposed rule change.

Questions and comments on the proposed rule change may be directed to Katherine Comly, Legal Associate, at (609) 613-1396.

**3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis**

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

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

**for, the Proposed Rule Change**a. Purpose

The Exchange proposes to amend Exchange Rule 100, Definitions, to make minor non-substantive edits and clarifying changes. First, the Exchange proposes to amend Exchange Rule 100, Definitions, to make a minor, non-substantive clarifying change to the definition for “PBBO.” Currently, the definition for “PBBO” is as follows: “The term ‘PBBO’ means the best bid or offer on the PEARL Exchange.” Pursuant to Exchange Rule 100, when referring to the Exchange, the term “MIAX Pearl” is used. The Exchange proposes to amend the definition for “PBBO” in Exchange Rule 100 to insert the word “MIAX” in front of the words “PEARL Exchange” to align the name of the Exchange with how the term is defined and used throughout the Exchange’s rulebook. Further, the Exchange proposes to delete the word “the” before the newly inserted word “MIAX” and delete the last word, “Exchange,” for clarity. With the proposed changes, the definition for “PBBO” will be as follows: “The term ‘PBBO’ means the best bid or offer on MIAX Pearl.”

Next, the Exchange proposes to delete the period at the end of subparagraph (a)(1) of Exchange Rule 402(a) and add “; and” for purposes of clarity in the rule text that both conditions listed in Exchange Rule 402(a)(1)–(2) must be met.

Next, the Exchange proposes to amend subparagraph (b) of Exchange Rule 402 to correctly spell the word “foregoing” in the last sentence before subparagraph (b)(1). The purpose of this change is for clarity in the rule text.

Next, the Exchange proposes to delete the period at the end of subparagraph (b)(6)(i) of Exchange Rule 402 and add “; and” for the sentence to be grammatically correct and for

purposes of clarity in the rule text that both conditions listed in Exchange Rule 402(b)(6)(i)–(ii) must be met.

Next, the Exchange proposes to delete the period at the end of subparagraph (c)(2)(i)(A) of Exchange Rule 402 and add “; and” for the sentence to be grammatically correct and for purposes of clarity in the rule text.

Next, the Exchange proposes to delete the comma at the end of subparagraph (g)(1) of Exchange Rule 402 and add a semicolon for purposes of clarity in the rule text.

Next, the Exchange proposes to amend subparagraph (i) of Exchange Rule 402 to remove the word “or” after proposed renumbered subparagraphs (i)(1), (2) and (3). The Exchange also proposes to amend the hierarchical headings in Exchange Rule 402(i) as follows: subparagraphs (i)(A)–(E) will be renumbered as (i)(1)–(5); subparagraph (i)(E)(1) will be renumbered as (i)(5)(i); subparagraphs (i)(E)(1)(i)–(iii) will be renumbered as (i)(5)(i)(A)–(C); subparagraph (i)(E)(2) will be renumbered as (i)(5)(ii); subparagraphs (i)(E)(2)(i)–(ii) will be renumbered as (i)(5)(ii)(A)–(B); and subparagraphs (i)(E)(2)(ii)(A)–(D) will be renumbered as (i)(5)(ii)(B)1.–4. The purpose of these proposed changes is to provide consistency and clarity throughout the rule text for the hierarchical subparagraph headings.

Next, the Exchange proposes to delete the semicolon at the end of subparagraph (k)(1)(vi) of Exchange Rule 402 and add a period for the sentence to be grammatically correct and for purposes of clarity in the rule text.

Next, the Exchange proposes to amend subparagraph (g) of Exchange Rule 403 to capitalize the word “In” that begins subparagraphs (g)(1) and (g)(2). The Exchange also proposes to amend subparagraph (g) of Exchange Rule 403 to replace certain internal cross reference to other rules in light of the changes described above. In particular, the Exchange

proposes to amend the cross references contained in Exchange Rule 403(g)(1)–(2), that are to Exchange Rules 402(i)(E)(1)(i)–(ii), to now be to Exchange Rule 402(i)(5)(i)(A)–(B). These proposed rule changes are for clarity and consistency with the rule text.

Next, the Exchange proposes to amend Exchange Rule 403, Interpretation and Policy .02, to add a colon before an itemized list in the second sentence, which uses semicolons for the sentence to be grammatically correct.

Next, the Exchange proposes to amend Exchange Rule 404, Interpretation and Policy .02(a), to remove the word “Pilot” when referring to the Short Term Option Series Program. The purpose of this proposed change is to provide consistency and clarity throughout the rule text as the Short Term Options Series Program is not a pilot program.<sup>3</sup>

Next, the Exchange proposes to amend Exchange Rule 404, Interpretation and Policy .02(c), to add the word “thirty” before the number in parentheses in the first sentence for purposes of consistency and clarity in the rule text.

Next, the Exchange proposes to amend Exchange Rule 404, Interpretation and Policy .02(f), to add the number “(21)” after the word “twenty-one” for purposes of consistency and clarity in the rule text.

Next, the Exchange proposes to amend Exchange Rule 404, Interpretation and Policy .10, to update the name of one of the Exchange-Traded Funds (“ETF”) from “PowerShares Trust (“QQQ”)” to its updated name “Invesco QQQ Trust (“QQQ”).”<sup>4</sup> According to the most recent Prospectus for the QQQ ETF, the ETF Sponsor changed that ETF’s name. Accordingly, the

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<sup>3</sup> See Exchange Rule 404, Interpretation and Policy .02.

<sup>4</sup> See Invesco QQQ Trust, Series 1 Prospectus, dated January 31, 2021, <https://connect.rightprospectus.com/Invesco/TADF/46090E103/P?site=ETF>.

Exchange proposes to update the name of the QQQ ETF for consistency with the QQQ ETF's Prospectus.

Next, the Exchange proposes to amend Exchange Rule 404, Interpretation and Policy .11, to add the number "(21)" after the word "twenty-one" for purposes of consistency and clarity in the rule text.

Next, the Exchange proposes to amend subparagraph (b) of Exchange Rule 404A to add quotation marks around the phrase "Exchange Traded Fund Shares" for the sentence to be grammatically correct.

Next, the Exchange proposes to amend subparagraph (a) of Exchange Rule 406, Long-Term Option Contracts, to add the number "(10)" after the word "ten" for purposes of consistency and clarity in the rule text.

Next, the Exchange proposes to amend subparagraphs (b)(i)–(iv) of Exchange Rule 500, Access to and Conduct on the Exchange, to: (1) replace periods with semicolons; and (2) add the word "and" to subparagraph (b)(iv) in the list for the sentence to be grammatically correct. The Exchange proposes to replace the periods in (i)–(iv) for the sentence to be grammatically correct and for purposes of clarity in the rule text.

Next, the Exchange proposes to amend subparagraph (b)(1)(ii)(A) to Exchange Rule 503, Openings on the Exchange, to remove the word "or" for purposes of clarity and consistency in the rule text.

Next, the Exchange proposes to amend Exchange Rule 515, Execution of Orders, to make minor, non-substantive edits and clarifying changes to the rule text in order to provide consistency and clarity within the rule text. Exchange Rule 515(g)(3)(iv) currently contains several references to the term "Post-Only." However, there are two instances in subparagraph

(g)(3)(iv) of Exchange Rule 515 where the term “Post-Only” is missing the hyphen connecting the two words. The Exchange now proposes to amend paragraph (g)(3)(iv) to amend all references to “Post-Only” to add the hyphen where it is missing. The purpose of these changes is to provide consistency and clarity throughout the rule text.

Next, the Exchange proposes to amend Exchange Rule 519, MIAX Pearl Order Monitor (“MOM”), to make minor, non-substantive edits and clarifying changes to the rule text. The Exchange proposes to amend the example in Exchange Rule 519(a)(3) to move the word “not” in clause “(B)” of that example. With the proposed change, clause “(B)” will state as follows: “(B) if the NBO is \$0.10 an incoming limit order to buy options for \$0.15 will not be rejected; whereas if the NBO is \$0.10 an incoming limit order to buy options for \$0.35 will be rejected as the limit price of the order is \$0.25 greater than the NBO.” Similarly, the Exchange proposes to amend the example in Exchange Rule 519(a)(4) to delete the extra word “be” in the last part of clause “(B)” of that example. With the proposed change, clause “(B)” will state as follows: “(B) if the NBB is \$0.30 an incoming limit order to sell options for \$0.15 will be rejected; whereas if the NBB is \$0.30 an incoming limit order to sell options for \$0.20 will not be rejected as the limit price of the order is not less than 50% of the NBB price.” The purpose of these changes is to provide clarity in the rule text.

b. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>5</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>6</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and

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

<sup>6</sup> 15 U.S.C. 78f(b)(5).



equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes the proposed changes promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system because the proposed rule changes will provide greater clarity to Members<sup>7</sup> and the public regarding the Exchange's Rules. It is in the public interest for rules to be accurate and concise so as to eliminate the potential for confusion.

#### **4. Self-Regulatory Organization's Statement on Burden on Competition**

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes the proposed changes will not impose any burden on intra-market competition as there is no functional change to the Exchange's System and because the rules of the Exchange apply to all MIAX Pearl participants equally. The proposed rule change will have no impact on competition as it is not designed to address any competitive issue but rather is designed to remedy minor non-substantive issues and provide added clarity to the rule text of Exchange Rules 100, 402, 403, 404, 404A, 406, 500, 503, 515, and 519. In addition, the Exchange does not believe the proposal will impose any burden on inter-market competition as

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<sup>7</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.

the proposal does not address any competitive issues and is intended to protect investors by providing further transparency regarding the Exchange's functionality.

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

No written comments were either solicited or received.

**6. Extension of Time Period for Commission Action**

Not applicable.

**7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

Pursuant to Section 19(b)(3)(A) of the Act<sup>8</sup> and Rule 19b-4(f)(6)<sup>9</sup> thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that the proposed changes do not affect the protection of investors or the public interest because the proposed changes are minor, non-substantive edits that will provide greater clarity to Members and the public regarding the Exchange's Rules. Further, the Exchange believes these proposed changes do not impose any significant burden on competition because they apply evenly to all Exchange participants and do not raise any new or novel regulatory issues. Accordingly, because the proposed rule changes do not introduce any new

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(6).

regulatory issues, the Exchange has filed this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>10</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>11</sup>

Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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. Furthermore, a proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>12</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)<sup>13</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest.

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

**8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

Not applicable.

**9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

Not applicable.

**10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act**

Not applicable.

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<sup>10</sup> 17 CFR 240.19b-4.

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

<sup>12</sup> Id.

<sup>13</sup> 17 CFR 240.19b-4(f)(6).

**11. Exhibits**

1. Notice of proposed rule for publication in the Federal Register.
5. Text of proposed rule change.

**EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-PEARL-2021-43)

September \_\_, 2021

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX PEARL, LLC to Amend Exchange Rule 100, Definitions, Rule 402, Criteria for Underlying Securities, Rule 403, Withdrawal of Approval of Underlying Securities, Rule 404, Series of Option Contracts Open for Trading, Rule 404A, Select Provisions of Options Listing Procedures Plan, Rule 406, Long-Term Option Contracts, Rule 500, Access to and Conduct on the Exchange, Rule 503, Openings on the Exchange, Rule 515, Execution of Orders, and Rule 519, MIAX Pearl Order Monitor (“MOM”)

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 24, 2021, MIAX PEARL, LLC (“MIAX Pearl”) or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I, II, and III 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 is filing a proposal to amend Exchange Rules 100, Definitions, 402, Criteria for Underlying Securities, 403, Withdrawal of Approval of Underlying Securities, 404, Series of Option Contracts Open for Trading, 404A, Select Provisions of Options Listing Procedures Plan, 406, Long-Term Option Contracts, 500, Access to and Conduct on the Exchange, 503, Openings on the Exchange, 515, Execution of Orders, and 519, MIAX Pearl Order Monitor (“MOM”), to make minor, non-substantive edits and clarifying changes to the rule text.

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

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

The text of the proposed rule change is available on the Exchange's website at <http://www.miaxoptions.com/rule-filings/pearl> at MIAX Pearl's principal office, and at the Commission's Public Reference Room.

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

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

The Exchange proposes to amend Exchange Rule 100, Definitions, to make minor non-substantive edits and clarifying changes. First, the Exchange proposes to amend Exchange Rule 100, Definitions, to make a minor, non-substantive clarifying change to the definition for "PBBO." Currently, the definition for "PBBO" is as follows: "The term 'PBBO' means the best bid or offer on the PEARL Exchange." Pursuant to Exchange Rule 100, when referring to the Exchange, the term "MIAX Pearl" is used. The Exchange proposes to amend the definition for "PBBO" in Exchange Rule 100 to insert the word "MIAX" in front of the words "PEARL Exchange" to align the name of the Exchange with how the term is defined and used throughout the Exchange's rulebook. Further, the Exchange proposes to delete the word "the" before the newly inserted word "MIAX" and delete the last word, "Exchange," for clarity. With the proposed changes, the definition for "PBBO" will be as follows: "The term 'PBBO' means the best bid or offer on MIAX Pearl."

Next, the Exchange proposes to delete the period at the end of subparagraph (a)(1) of Exchange Rule 402(a) and add “; and” for purposes of clarity in the rule text that both conditions listed in Exchange Rule 402(a)(1)–(2) must be met.

Next, the Exchange proposes to amend subparagraph (b) of Exchange Rule 402 to correctly spell the word “foregoing” in the last sentence before subparagraph (b)(1). The purpose of this change is for clarity in the rule text.

Next, the Exchange proposes to delete the period at the end of subparagraph (b)(6)(i) of Exchange Rule 402 and add “; and” for the sentence to be grammatically correct and for purposes of clarity in the rule text that both conditions listed in Exchange Rule 402(b)(6)(i)–(ii) must be met.

Next, the Exchange proposes to delete the period at the end of subparagraph (c)(2)(i)(A) of Exchange Rule 402 and add “; and” for the sentence to be grammatically correct and for purposes of clarity in the rule text.

Next, the Exchange proposes to delete the comma at the end of subparagraph (g)(1) of Exchange Rule 402 and add a semicolon for purposes of clarity in the rule text.

Next, the Exchange proposes to amend subparagraph (i) of Exchange Rule 402 to remove the word “or” after proposed renumbered subparagraphs (i)(1), (2) and (3). The Exchange also proposes to amend the hierarchical headings in Exchange Rule 402(i) as follows: subparagraphs (i)(A)–(E) will be renumbered as (i)(1)–(5); subparagraph (i)(E)(1) will be renumbered as (i)(5)(i); subparagraphs (i)(E)(1)(i)–(iii) will be renumbered as (i)(5)(i)(A)–(C); subparagraph (i)(E)(2) will be renumbered as (i)(5)(ii); subparagraphs (i)(E)(2)(i)–(ii) will be renumbered as (i)(5)(ii)(A)–(B); and subparagraphs (i)(E)(2)(ii)(A)–(D) will be renumbered as (i)(5)(ii)(B)1.–4. The purpose of these proposed changes is to provide consistency and clarity throughout the rule text for the hierarchical subparagraph headings.

Next, the Exchange proposes to delete the semicolon at the end of subparagraph (k)(1)(vi) of Exchange Rule 402 and add a period for the sentence to be grammatically correct and for purposes of clarity in the rule text.

Next, the Exchange proposes to amend subparagraph (g) of Exchange Rule 403 to capitalize the word “In” that begins subparagraphs (g)(1) and (g)(2). The Exchange also proposes to amend subparagraph (g) of Exchange Rule 403 to replace certain internal cross reference to other rules in light of the changes described above. In particular, the Exchange proposes to amend the cross references contained in Exchange Rule 403(g)(1)–(2), that are to Exchange Rules 402(i)(E)(1)(i)–(ii), to now be to Exchange Rule 402(i)(5)(i)(A)–(B). These proposed rule changes are for clarity and consistency with the rule text.

Next, the Exchange proposes to amend Exchange Rule 403, Interpretation and Policy .02, to add a colon before an itemized list in the second sentence, which uses semicolons for the sentence to be grammatically correct.

Next, the Exchange proposes to amend Exchange Rule 404, Interpretation and Policy .02(a), to remove the word “Pilot” when referring to the Short Term Option Series Program. The purpose of this proposed change is to provide consistency and clarity throughout the rule text as the Short Term Options Series Program is not a pilot program.<sup>3</sup>

Next, the Exchange proposes to amend Exchange Rule 404, Interpretation and Policy .02(c), to add the word “thirty” before the number in parentheses in the first sentence for purposes of consistency and clarity in the rule text.

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<sup>3</sup> See Exchange Rule 404, Interpretation and Policy .02.



Next, the Exchange proposes to amend Exchange Rule 404, Interpretation and Policy .02(f), to add the number “(21)” after the word “twenty-one” for purposes of consistency and clarity in the rule text.

Next, the Exchange proposes to amend Exchange Rule 404, Interpretation and Policy .10, to update the name of one of the Exchange-Traded Funds (“ETF”) from “PowerShares Trust (“QQQ”)” to its updated name “Invesco QQQ Trust (“QQQ”).”<sup>4</sup> According to the most recent Prospectus for the QQQ ETF, the ETF Sponsor changed that ETF’s name. Accordingly, the Exchange proposes to update the name of the QQQ ETF for consistency with the QQQ ETF’s Prospectus.

Next, the Exchange proposes to amend Exchange Rule 404, Interpretation and Policy .11, to add the number “(21)” after the word “twenty-one” for purposes of consistency and clarity in the rule text.

Next, the Exchange proposes to amend subparagraph (b) of Exchange Rule 404A to add quotation marks around the phrase “Exchange Traded Fund Shares” for the sentence to be grammatically correct.

Next, the Exchange proposes to amend subparagraph (a) of Exchange Rule 406, Long-Term Option Contracts, to add the number “(10)” after the word “ten” for purposes of consistency and clarity in the rule text.

Next, the Exchange proposes to amend subparagraphs (b)(i)–(iv) of Exchange Rule 500, Access to and Conduct on the Exchange, to: (1) replace periods with semicolons; and (2) add the word “and” to subparagraph (b)(iv) in the list for the sentence to be grammatically correct. The

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<sup>4</sup> See Invesco QQQ Trust, Series 1 Prospectus, dated January 31, 2021, <https://connect.rightprospectus.com/Invesco/TADF/46090E103/P?site=ETF>.

Exchange proposes to replace the periods in (i)–(iv) for the sentence to be grammatically correct and for purposes of clarity in the rule text.

Next, the Exchange proposes to amend subparagraph (b)(1)(ii)(A) to Exchange Rule 503, Openings on the Exchange, to remove the word “or” for purposes of clarity and consistency in the rule text.

Next, the Exchange proposes to amend Exchange Rule 515, Execution of Orders, to make minor, non-substantive edits and clarifying changes to the rule text in order to provide consistency and clarity within the rule text. Exchange Rule 515(g)(3)(iv) currently contains several references to the term “Post-Only.” However, there are two instances in subparagraph (g)(3)(iv) of Exchange Rule 515 where the term “Post-Only” is missing the hyphen connecting the two words. The Exchange now proposes to amend paragraph (g)(3)(iv) to amend all references to “Post-Only” to add the hyphen where it is missing. The purpose of these changes is to provide consistency and clarity throughout the rule text.

Next, the Exchange proposes to amend Exchange Rule 519, MIAX Pearl Order Monitor (“MOM”), to make minor, non-substantive edits and clarifying changes to the rule text. The Exchange proposes to amend the example in Exchange Rule 519(a)(3) to move the word “not” in clause “(B)” of that example. With the proposed change, clause “(B)” will state as follows: “(B) if the NBO is \$0.10 an incoming limit order to buy options for \$0.15 will not be rejected; whereas if the NBO is \$0.10 an incoming limit order to buy options for \$0.35 will be rejected as the limit price of the order is \$0.25 greater than the NBO.” Similarly, the Exchange proposes to amend the example in Exchange Rule 519(a)(4) to delete the extra word “be” in the last part of clause “(B)” of that example. With the proposed change, clause “(B)” will state as follows: “(B) if the NBB is \$0.30 an incoming limit order to sell options for \$0.15 will be rejected; whereas if the NBB is \$0.30 an incoming limit order to sell options for \$0.20 will not be rejected as the

limit price of the order is not less than 50% of the NBB price.” The purpose of these changes is to provide clarity in the rule text.

## 2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>5</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>6</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 facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes the proposed changes promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system because the proposed rule changes will provide greater clarity to Members<sup>7</sup> and the public regarding the Exchange’s Rules. It is in the public interest for rules to be accurate and concise so as to eliminate the potential for confusion.

### B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes the proposed changes will not impose any burden on intra-market

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

<sup>6</sup> 15 U.S.C. 78f(b)(5).

<sup>7</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.

competition as there is no functional change to the Exchange's System and because the rules of the Exchange apply to all MIAX Pearl participants equally. The proposed rule change will have no impact on competition as it is not designed to address any competitive issue but rather is designed to remedy minor non-substantive issues and provide added clarity to the rule text of Exchange Rules 100, 402, 403, 404, 404A, 406, 500, 503, 515, and 519. In addition, the Exchange does not believe the proposal will impose any burden on inter-market competition as the proposal does not address any competitive issues and is intended to protect investors by providing further transparency regarding the Exchange's functionality.

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

Because the foregoing 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 after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act<sup>8</sup> and Rule 19b-4(f)(6)<sup>9</sup> thereunder.

At any time within 60 days of the filing of the 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

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### 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 (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail [to rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-PEARL-2021-43 on the subject line.

##### Paper comments:

- Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-PEARL-2021-43. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F

Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-PEARL-2021-43 and should be submitted on or before [insert date 21 days from publication in the Federal Register]. For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

Vanessa Countryman  
Secretary

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<sup>10</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

New text is underlined;  
Deleted text is in [brackets]

**MIAX PEARL, LLC Rules**

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**CHAPTER I. DEFINITIONS****Rule 100. Definitions**

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**PBBO**

The term “**PBBO**” means the best bid or offer on [the ]MIAX Pearl[ Exchange].

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**Rule 402. Criteria for Underlying Securities**

(a) Underlying securities with respect to which put or call option contracts are approved for listing and trading on the Exchange must meet the following criteria:

(1) the security must be registered and be an “NMS stock” as defined in Rule 600 of Regulation NMS under the Exchange Act[.]; and

(2) No change.

(b) In addition, the Exchange shall from time to time establish guidelines to be considered in evaluating potential underlying securities for Exchange options transactions. There are many relevant factors which must be considered in arriving at such a determination, and the fact that a particular security may meet the guidelines established by the Exchange does not necessarily mean that it will be selected as an underlying security. Further, in exceptional circumstances an underlying security may be selected by the Exchange even though it does not meet all of the guidelines. The Exchange may also give consideration to maintaining diversity among various industries and issuers in selecting underlying securities. Notwithstanding the foregoing, however, absent exceptional circumstances, an underlying security will not be selected unless:

(1) – (5) No change.

(6) Notwithstanding the requirements set forth in paragraphs (1), (2), (4) and (5) above, the Exchange may list and trade an option contract if:

(i) the underlying security meets the guidelines for continued approval in Rule 403[.]; and

(ii) No change.

**(c) Securities of Restructured Companies.**

(1) No change.

(2) **“Share” and “Number of Shareholder” Guidelines.** In determining whether a Restructure Security satisfies the share guideline set forth in Rule 402(b)(1) (the “Share Guideline”) or the number of holders guideline set forth in Rule 402(b)(2) (the “Number of Shareholders Guideline”), the Exchange may rely upon the facts and circumstances that it expects to exist on the option’s intended listing date, rather than on the date on which the Exchange selects for options trading the underlying Restructure Security.

(i) The Exchange may assume that:

(A) both the “Share” and “Number of Shareholders” Guidelines are satisfied if, on the option’s intended listing date, the Exchange expects no fewer than forty (40) million shares of the Restructure Security to be issued and outstanding[.]; and

(B) No change.

(ii) – (iii) No change.

(3) – (11) No change.

(d) – (f) No change.

(g) Securities deemed appropriate for options trading shall include shares issued by registered closed-end management investment companies that invest in the securities of issuers based in one or more foreign countries (“International Funds”) if they meet the criteria and guidelines set forth in this Rule 402 and either:

(1) the Exchange has a market information sharing agreement with the primary home exchange for each of the securities held by the fund[.]; or

(2) No change.

(h) No change.

(i) Securities deemed appropriate for options trading shall include shares or other securities (“Exchange-Traded Fund Shares”) that are traded on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, and that:

([A]1) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that hold



portfolios of securities and/or financial instruments (“Funds”), including, but not limited to, stock index futures contracts, options on futures, options on securities and indices, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse repurchase agreements (the “Financial Instruments”), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the “Money Market Instruments”) comprising or otherwise based on or representing investments in broad-based indexes or portfolios of securities and/or Financial Instruments and Money Market Instruments (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities and/or Financial Instruments and Money Market Instruments); [or]

([B]2) represent interests in a trust or similar entity that holds a specified non-U.S. currency or currencies deposited with the trust which when aggregated in some specified minimum number may be surrendered to the trust or similar entity by the beneficial owner to receive the specified non-U.S. currency or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust (“Currency Trust Shares”); [or]

([C]3) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or non-U.S. currency (“Commodity Pool ETFs”); [or]

([D]4) are issued by the SPDR® Gold Trust or the iShares COMEX Gold Trust or the iShares Silver Trust or the ETFS Silver Trust or the ETFS Gold Trust or the ETFS Palladium Trust or the ETFS Platinum Trust or the Sprott Physical Gold Trust; or

([E]5) represent an interest in a registered investment company (“Investment Company”) organized as an open-end management company or similar entity, that invests in a portfolio of securities selected by the Investment Company’s investment adviser consistent with the Investment Company’s investment objectives and policies, which is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value (“NAV”), and when aggregated in the same specified minimum number, may be redeemed at a holder’s request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined NAV (“Managed Fund Share”); provided that all of the following conditions are met:

([1]i) the Exchange-Traded Fund Shares either:

([i]A) meet the criteria and guidelines set forth in paragraphs (a) and (b) above; or

([ii]B) the Exchange-Traded Fund Shares are available for creation or redemption each business day from or through the issuing trust, investment company, commodity pool or other entity in cash or in kind at a price related to net asset value, and the issuer is obligated to issue Exchange-Traded Fund Shares in a specified aggregate number even if some or all of the investment assets and/or cash required to be deposited have not been received by the issuer, subject to the

condition that the person obligated to deposit the investment assets has undertaken to deliver them as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer of the Exchange-Traded Fund Shares, all as described in the Exchange-Traded Fund Shares' prospectus; and

(iii)C For Commodity Pool ETFs that engage in holding and/or managing portfolios or baskets commodity futures contracts, options on commodity futures contracts, swaps, forward contracts, options on physical surveillance sharing agreement with the marketplace or marketplaces with last sale reporting that represent(s) the highest volume in such commodity futures contracts and/or options on commodity futures contracts on the specified commodities or non-U.S. currency, which are utilized by the national securities exchange where the underlying Commodity Pool ETFs are listed and traded.

(2)ii) the Exchange Traded-Fund Shares meet the following criteria:

(i)A are listed pursuant to generic listing standards for series of portfolio depositary receipts and index fund shares based on international or global indexes under which a comprehensive surveillance agreement is not required; or

(ii)B [(A)]1. any non-U.S. component securities of an index or portfolio of securities on which the Exchange-Traded Fund Shares are based that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 50% of the weight of the index or portfolio;

[(B)]2. component securities of an index or portfolio of securities on which the Exchange-Traded Fund Shares are based for which the primary market is in any one country that is not subject to a comprehensive surveillance agreement do not represent 20% or more of the weight of the index;

[(C)]3. component securities of an index or portfolio of securities on which the Exchange-Traded Fund Shares are based for which the primary market is in any two countries that are not subject to comprehensive surveillance agreements do not represent 33% or more of the weight of the index; and

[(D)]4. For Currency Trust Shares, the Exchange has entered into an appropriate comprehensive surveillance sharing agreement with the marketplace or marketplaces with last sale reporting that represent(s) the highest volume in derivatives (options or futures) on the specified non-U.S. currency or currencies, which are utilized by the national securities exchange where the underlying Currency Trust Shares are listed and traded.

(j) No change.

(k) (1) Securities deemed appropriate for options trading shall include shares or other securities ("Equity Index-Linked Securities," "Commodity-Linked Securities," "Currency-Linked Securities," "Fixed Income Index-Linked Securities," "Futures-Linked Securities," and

“Multifactor Index-Linked Securities,” collectively known as “Index-Linked Securities”) that are principally traded on a national securities exchange and an “NMS Stock” (as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934), and represent ownership of a security that provides for the payment at maturity, as described below:

(i) – (v) No change.

(vi) Multifactor Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance or the leveraged (multiple or inverse) performance of any combination of two or more Equity Reference Assets, Commodity Reference Assets, Currency Reference Assets, Fixed Income Reference Assets, or Futures Reference Assets (“Multifactor Reference Asset”);].

(2) – (4) No change.

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### **Rule 403. Withdrawal of Approval of Underlying Securities**

(a) – (f) No change.

(g) Exchange-Traded Fund Shares approved for options trading pursuant to Rule 402(i) will not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such Exchange-Traded Fund Shares if the Exchange-Traded Fund Shares are delisted from trading as provided in subparagraph (b)(4) of this Rule or the Exchange-Traded Fund Shares are halted or suspended from trading on their primary market. In addition, the Exchange shall consider the suspension of opening transactions in any series of options of the class covering Exchange-Traded Fund Shares in any of the following circumstances:

(1) [I]n the case of options covering Exchange-Traded Fund Shares approved pursuant to Rule 402(i)([E]5)([1]j)([i]A), in accordance with the terms of subparagraphs (b)(1), (2) and (3) of this Rule 403;

(2) [I]n the case of options covering Exchange-Traded Fund Shares approved pursuant to Rule 402(i)([E]5)([1]j)([ii]B), following the initial twelve-month period beginning upon the commencement of trading in the Exchange-Traded Fund Shares on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, there were fewer than 50 record and/or beneficial holders of such Exchange-Traded Fund Shares for 30 or more consecutive trading days;

(3) – (4) No change.

(h) – (i) No change.

### **Interpretations and Policies:**

.01 No change.

.02 If an option class is open for trading on another national securities exchange, the Exchange may delist such option class immediately. If an option class is open for trading solely on the Exchange, the Exchange may determine to not open for trading any additional series in that option class; may restrict series with open interest to closing transactions, provided that, opening transactions by Market Makers executed to accommodate closing transactions of other market participants may be permitted; and may delist the option class when all series within that class have expired. In all instances, delisting shall be preceded by a notice to members concerning the delisting.

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#### **Rule 404. Series of Option Contracts Open for Trading**

(a) – (g) No change.

#### **Interpretations and Policies:**

.01 No change.

.02 **Short Term Option Series Program.** After an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day (“Short Term Option Opening Date”) series of options on that class that expire at the close of business on each of the next five Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire (“Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates. Monday and Wednesday SPY Expirations and Monday and Wednesday QQQ Expirations (described in the paragraphs below) are not included as part of this count. If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on a Friday, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday.

The Exchange may open for trading on any Tuesday or Wednesday that is a business day (“Wednesday SPY Expiration Opening Date” and “Wednesday QQQ Expiration Opening Date”) series of options on the SPDR S&P 500 ETF Trust (“SPY”) and the INVESCO QQQ Trust<sup>SM</sup>, Series 1 (“QQQ”) that expire at the close of business on each of the next five Wednesdays that are business days and are not Wednesdays on which Quarterly Options Series expire (“Wednesday SPY Expirations” and “Wednesday QQQ Expirations”). The Exchange may have no more than a total of five Wednesday SPY Expirations and no more than a total of five Wednesday QQQ Expirations. Non-Wednesday SPY Expirations and Non-Wednesday QQQ Expirations (described in the paragraph above) are not included as part of this count. If the Exchange is not open for business on the respective Tuesday or Wednesday, the Wednesday SPY Expiration Opening Date and the Wednesday QQQ Expiration Opening Date will be the first business day immediately prior to that respective Tuesday or Wednesday. Similarly, if the Exchange is not open for business on a

Wednesday, the expiration date for a Wednesday SPY Expiration and a Wednesday QQQ Expiration will be the first business day immediately prior to that Wednesday. References to “Short Term Option Series” below shall be read to include “Wednesday SPY Expirations” and “Wednesday QQQ Expirations,” except where indicated otherwise.

With respect to Wednesday SPY Expirations and Wednesday QQQ Expirations, the Exchange may open for trading on any Tuesday or Wednesday that is a business day series of options on the SPDR S&P 500 ETF Trust (“SPY”) and the INVESCO QQQ Trust<sup>SM</sup>, Series 1 (“QQQ”) to expire on any Wednesday of the month that is a business day and is not a Wednesday in which Quarterly Options Series expire (“Wednesday SPY Expirations” and “Wednesday QQQ Expirations”). With respect to Monday SPY Expirations and Monday QQQ Expirations, the Exchange may open for trading on any Friday or Monday that is a business day series of options on SPY or QQQ to expire on any Monday of the month that is a business day and is not a Monday in which Quarterly Options Series expire (“Monday SPY Expirations” and “Monday QQQ Expirations”), provided that Monday SPY Expirations and Monday QQQ Expirations that are listed on Friday must be listed at least one business week and one business day prior to the expiration. The Exchange may list up to five consecutive Wednesday SPY Expirations, five consecutive Wednesday QQQ Expirations, five consecutive Monday SPY Expirations, and five consecutive Monday QQQ Expirations at one time; the Exchange may have no more than a total of five Wednesday SPY Expirations, five Wednesday QQQ Expirations, five Monday SPY Expirations, and five Monday QQQ Expirations. Monday and Wednesday SPY Expirations and Monday and Wednesday QQQ Expirations will be subject to the provisions of this Rule.

Regarding Short Term Option Series:

(a) **Classes.** The Exchange may select up to fifty (50) currently listed option classes in which Short Term Option Series may be opened on any Short Term Option Opening Date. In addition to the 50 option class restriction, the Exchange may also list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar [Pilot ]Program under their respective rules. For each option class eligible for participation in the Short Term Option Series [Pilot ]Program, the Exchange may open up to thirty (30) Short Term Option Series for each expiration date in that class.

(b) No change.

(c) **Initial Series.** The Exchange may open up to thirty (30) initial series for each option class that participates in the Short Term Option Series Program. The strike price of each Short Term Option Series will be fixed at a price per share, with approximately the same number of strike prices above and below the value of the underlying security at about the time that Short Term Option Series are initially opened for trading on the Exchange (e.g., if seven series are initially opened, there will be at least three strike prices above and three strike prices below the value of the underlying security). Any strike prices listed by the Exchange shall be reasonably close to the price of the underlying equity security and within the following parameters: (i) if the price of the underlying security is less than or equal to \$20, strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and (ii) if the price of the underlying security is

greater than \$20, strike prices shall be not more than fifty percent (50%) above or below the price of the underlying security.

(d) – (e) No change.

(f) Notwithstanding (e) above, when Short Term Options Series in equity options, excluding Exchange-Traded Funds (“ETFs”) and ETNs, have an expiration more than twenty-one (21) days from the listing date, the strike interval for each options class shall be based on the table within Policy .11.

.03 – .09 No change.

.10 Notwithstanding any other provision regarding the interval of strike prices of series of options on Exchange-Traded Fund Shares in this Rule, the interval of strike prices on SPDR S&P 500 ETF (“SPY”), iShares S&P 500 Index ETF (“IVV”), [PowerShares]Invesco QQQ Trust (“QQQ”), iShares Russell 2000 Index Fund (“IWM”), and the SPDR Dow Jones Industrial Average ETF (“DIA”) options will be \$1 or greater.

.11 With respect to listing Short Term Option Series in equity options, excluding Exchange-Traded Fund Shares and ETNs, which have an expiration date more than twenty-one (21) days from the listing date, the following table will apply as noted within Policy .02(f). The below table indicates the applicable strike intervals and supersedes Policy.02(d) which permits additional series to be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the exercise price or prices of the series already opened.

Tier	Average Daily Volume	Share Price				
		Less than \$25	\$25 to less than \$75	\$75 to less than \$150	\$150 to less than \$500	\$500 or greater
1	Greater than 5,000	\$0.50	\$1.00	\$1.00	\$5.00	\$5.00
2	Greater than 1,000 to 5,000	\$1.00	\$1.00	\$1.00	\$5.00	\$10.00
3	0 to 1,000	\$2.50	\$5.00	\$5.00	\$5.00	\$10.00

The Share Price is the closing price on the primary market on the last day of the calendar quarter. In the event of a corporate action, the Share Price of the surviving company is utilized.

The Average Daily Volume is the total number of options contracts traded in a given security for the applicable calendar quarter divided by the number of trading days in the applicable calendar quarter. Beginning on the second trading day in the first month of each calendar quarter, the Average Daily Volume shall be calculated by utilizing data from the prior calendar quarter based on Customer-cleared volume at The Options Clearing Corporation. For options listed on the first

trading day of a given calendar quarter, the Average Daily Volume shall be calculated using the quarter prior to the last trading calendar quarter.

Short Term Options Series that are newly eligible for listing pursuant to Exchange Rule 402 will not be subject to this proposed Policy .11 until after the end of the first full calendar quarter following the date the option class was first listed for trading on any options market.

Notwithstanding the limitations imposed by this Policy .11, this proposal does not amend the range of strikes that may be listed pursuant to Policy .02 above, regarding the Short Term Option Series Program.

#### **Rule 404A. Select Provisions of Options Listing Procedures Plan**

(a) No change.

(b) The exercise price of each options series listed by the Exchange shall be fixed at a price per share which is reasonably close to the price of the underlying equity security, Exchange Traded Fund (“ETF” and referred to as “Exchange Traded Fund Shares” in Rule 402(i)) or Trust Issued Receipt (“TIR”) at or about the time the Exchange determines to list such series. Additionally,

(1) – (6) No change.

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#### **Rule 406. Long-Term Option Contracts**

(a) Notwithstanding conflicting language in Rule 404, the Exchange may list long-term option contracts that expire from twelve (12) to thirty-nine (39) months from the time they are listed (“long-term expiration months”). There may be up to ten (10) long-term expiration months for options on the SPDR® S&P 500® exchange-traded fund (“SPY”) and up to six (6) long-term expiration months for all other option classes. Strike price interval (Rule 404) and continuous quoting (Rule 605(d)) Rules shall not apply to such options series until the time to expiration is less than nine (9) months.

(b) – (c) No change.

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#### **Rule 500. Access to and Conduct on the Exchange**

(a) No change.

(b) **Exchange Conduct.** Members and persons employed by or associated with any Member, while using the facilities of the Exchange, shall not engage in conduct (1) inconsistent with the maintenance of a fair and orderly market; (2) apt to impair public confidence in the operations of the Exchange; or (3) inconsistent with the ordinary and efficient conduct of business. Activities that may violate the provisions of this paragraph (b) include, but are not limited to, the following:

- (i) failure of a Market Maker to provide quotations in accordance with Rule 605[.];
- (ii) failure of a Member to supervise a person employed by or associated with such Member adequately to ensure that person's compliance with this paragraph (b)[.];
- (iii) failure to abide by a determination of the Exchange[.];
- (iv) refusal to provide information requested by the Exchange[.]; and
- (v) No change.

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### **Rule 503. Openings on the Exchange**

(a) No change.

(b) **Opening Process on the Exchange.** For the opening of trading of securities by the System, the Opening Process shall occur at or after 9:30 a.m. Eastern Time, if the dissemination of a regular market hours quote or trade (as determined by the Exchange) by the Market for the Underlying Security has occurred. Following the dissemination of a quote or trade in the Market for the Underlying Security (the "First Market Event") the System will pause for a period of time no longer than one-half second to allow the market place to absorb this information. Or, in the case of a trading halt, the Opening Process shall occur when trading resumes pursuant to Rule 504. Market hours trading shall commence or, in the case of a halted option, resume when the MIAX Pearl Opening Process concludes.

(1) **Criteria for the Opening.** The opening of trading or resumption of trading after a halt of securities by the System will be dependent on the following criteria, provided the ABBO is not crossed.

(i) No change.

(ii) If there is no locking or crossing interest on MIAX Pearl and no interest that locks or crosses the NBBO, then the Exchange will open dependent upon one of the following:

(A) A Valid Width NBBO is present; [or]

(B) – (C) No change.

(2) – (3) No change.

(c) – (d) No change.

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**Rule 515. Execution of Orders**

(a) – (f) No change.

(g) **Post-Only Price Process.**

(1) – (2) No change.

(3) **Post-Only Price Process.**

(i) – (iii) No change.

(iv) A Post-Only Order subject to the POP Process under this subsection (g)(3) will retain its original limit price irrespective of the prices at which such Post-Only Order is booked and displayed and will maintain its original timestamp, provided however each time the order is booked and displayed at a more aggressive Book price, the order will receive a new timestamp. In the event the PBBO changes such that a Post-Only Order subject to the POP Process would be able to be booked and displayed at its actual limit price, the Post-Only Order will receive a new timestamp. All Post-Only Orders that are re-ranked and re-displayed pursuant to the POP Process will retain their priority as compared to other orders subject to the POP Process based upon the time such Post-Only Order was initially received by the Exchange. Following the initial ranking and display of a [Post Only]Post-Only Order subject to the POP Process, a [Post Only]Post-Only Order will only be re-ranked and re-displayed to the extent it achieves a more aggressive price, provided, however, that the Exchange will re-book a Post-Only Order at the same price as the displayed price in the event such order's displayed price is locked or crossed by the PBBO. Such event will not result in a change in priority for the Post-Only Order at its displayed price.

(v) No change.

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**Rule 519. MIAX Pearl Order Monitor (“MOM”)**

(a) **Order Price Protections.** In order to avoid the occurrence of potential obvious or catastrophic errors on the Exchange, the System will take the following steps in accordance with the MIAX Pearl Order Monitor, which will prevent certain orders from executing or being placed on the Book at prices outside pre-set standard limits. Beginning after the Opening Process is complete, the MIAX Pearl Order Monitor will be operational each trading day until the close of trading. The MIAX Pearl Order Monitor will not be operational during a trading halt.

(1) – (2) No change.

(3) **Limit Orders to Buy.** For options with a National Best Offer (“NBO”) greater than \$0.50 the System will reject an incoming limit order from a Market Maker or an EEM that has a limit price equal to or greater than the NBO by the lesser of (i) \$2.50, or (ii) 50% of the NBO price. For options with an NBO less than or equal to \$0.50 the System will reject an incoming limit order

from a Market Maker or an EEM that has a limit price that is equal to or greater than the NBO price by \$0.25.

For example: (A) if the NBO is \$12.00 an incoming limit order to buy options for \$14.50 or more will be rejected; and (B) if the NBO is \$0.10 an incoming limit order to buy options for \$0.15 will not be [not] rejected; whereas if the NBO is \$0.10 an incoming limit order to buy options for \$0.35 will be rejected as the limit price of the order is \$0.25 greater than the NBO.

(4) **Limit Orders to Sell.** For options with a National Best Bid (“NBB”) greater than \$0.25 the System will reject an incoming limit order from a Market Maker or an EEM that has a limit price equal to or less than the NBB by the lesser of (i) \$2.50, or (ii) 50% of the NBB price. For options with an NBB of \$0.25 or less the System will accept any incoming limit order from a Market Maker or an EEM.

For example: (A) if the NBB is \$12.00 an incoming limit order to sell options for \$9.50 or less will be rejected, and (B) if the NBB is \$0.30 an incoming limit order to sell options for \$0.15 will be rejected; whereas if the NBB is \$0.30 an incoming limit order to sell options for \$0.20 will [be ]not be rejected as the limit price of the order is not less than 50% of the NBB price.

(b) – (d) No change.

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