plans established under Rule 17ad–22(e)(3)(ii); [14] and (iii) maintain a viable plan, approved by the Board and updated at least annually, for raising additional equity should its equity fall close to or below the amount required under Rule 17ad–22(e)(15)(ii).[15]

The Plans continue to analyze ICC's particular circumstances and risks to ensure that ICC maintains financial resources necessary to implement both Plans and that ICC remains in compliance with all regulatory capital requirements. The Plans includes information on the financial resources maintained by ICC for recovery and to support wind-down in compliance with relevant regulations and include procedures to follow in case of any shortfall. As such, ICC believes that the proposed rule change is consistent with the requirements of Rule 17Ad–22(e)(15).[16]

(B) Clearing Agency's Statement on Burden on Competition

ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition. The proposed changes to the Plans will apply uniformly across all market participants. The changes are being proposed to promote clarity and ensure that the information provided is current in the Plans. ICC does not believe the amendments would affect the costs of clearing or the ability of market participants to access clearing. Therefore, ICC does not believe the proposed rule change would impose any burden on competition that is inappropriate in furtherance of the purposes of the Act.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments relating to the proposed rule change have not been solicited or received. ICC will notify the Commission of any written comments received by ICC.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be 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 email to *rule-comments@sec.gov.* Please include file number SR–ICC–2024–004 on the subject line.

Paper Comments

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

All submissions should refer to file number SR–ICC–2024–004. This file number should be included on the subject line if email 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 website (*https://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 a.m. and 3 p.m. Copies of such filings will also be available for inspection and copying at the principal office of ICE Clear Credit and on ICE Clear Credit's website at *https://www.ice.com/clear-credit/regulation.*

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–ICC–2023–014 and should be submitted on or before July 12, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[17]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2024–13538 Filed 6–20–24; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–100338; File No. SR–PEARL–2024–26]

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the MIAX Pearl Equities Fee Schedule

June 14, 2024.

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on June 7, 2024, MIAX PEARL, LLC (''MIAX Pearl'' or ''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 the fee schedule (the ''Fee Schedule'') applicable to MIAX Pearl Equities, an equities trading facility of the Exchange.

The text of the proposed rule change is available on the Exchange's website at *https://www.miaxglobal.com/markets/us-equities/pearl-equities/rule-filings,* 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

[14] 17 CFR 240.17Ad–22(e)(3)(ii).

[15] 17 CFR 240.17Ad–22(e)(15)(ii).

[16] 17 CFR 240.17Ad–22(e)(15).

[17] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

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 the Fee Schedule to: (1) increase the fee associated with Liquidity Indicator Code ''Rp'' and deactivate the Remove Volume Tiers table [3] and corresponding fee; [4] and (2) establish a new volume calculation method for Equity Members [5] to achieve enhanced rebates pursuant to the NBBO Setter Plus Program (referred to in this filing as the ''NBBO Program'').[6] The Exchange originally filed this proposed fee change on May 31, 2024 (SR–PEARL–2024–24). On June 7, 2024, the Exchange withdrew SR–PEARL–2024–24 and refiled this proposal.

Background of Remove Volume Tiers and Liquidity Indicator Code ''Rp''

The Exchange currently charges a standard fee of $0.00295 per share for executions of orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange in all Tapes.[7] On January 1, 2022, the Exchange established Section 1)d) of the Fee Schedule, Remove Volume Tiers, which provided reduced standard fees for executions of orders in securities priced at or above $1.00 per share that removed liquidity from the Exchange for Equity Members that met specified volume thresholds on the Exchange.[8] The Remove Volume Tiers table was subsequently amended and currently provides only one tier with a reduced fee $0.00290 per share for executions of orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange for Equity Members that meet the specified volume threshold on the Exchange.[9] On December 1, 2022, the Exchange established a reduced fee of $0.00265 per share for executions of Midpoint Peg Orders [10] in securities priced at or above $1.00 that execute at the midpoint of the NBBO [11] and remove liquidity from the Exchange in all Tapes.[12]

Proposal To Amend Remove Volume Tiers Table and Liquidity Indicator Code ''Rp''

The Exchange proposes to amend the fee associated with Liquidity Indicator Code ''Rp'' from $0.00265 to now be $0.00295 per share and deactivate the Remove Volume Tiers table and corresponding fee such that all executions of orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange will be assessed the standard fee of $0.00295 per share. The Exchange does not propose to amend the fee for executions of Midpoint Peg Orders in securities priced below $1.00 per share that execute at the midpoint of the NBBO and remove liquidity from the Exchange in all Tapes, which is currently set at 0.25% of the total dollar value of the transaction.[13]

The purpose of these proposed changes is for business and competitive reasons. The Exchange notes that despite the changes proposed herein, the Exchange's proposed standard fee of $0.00295 per share for executions of all orders in securities priced at or above $1.00 per share and remove liquidity from the Exchange remains competitive with the standard fee to remove liquidity in securities priced at or above $1.00 per share charged by other equity exchanges.[14]

Background of the NBBO Program

The NBBO Program was implemented beginning September 1, 2023 and subsequently amended several times.[15] In general, the NBBO Program provides enhanced rebates for Equity Members that add displayed liquidity (''Added Displayed Volume'') in securities priced at or above $1.00 per share in all Tapes based on increasing volume thresholds and increasing market quality levels (described below). The NBBO Program provides the following additional incentives: (1) an NBBO Setter Additive Rebate [16] applied to executions of orders in securities priced at or above $1.00 per share that set the NBB or NBO upon entry; (2) an NBBO First Joiner Additive Rebate [17] applied to executions of orders in securities priced at or above $1.00 per share that bring MIAX Pearl Equities to the established NBB or NBO; and (3) a Step-Up Rebate [18] for Equity Members that satisfy the (i) minimum displayed

[3] *See* Fee Schedule, Section 1)d). The Exchange proposes to insert ''Reserved'' for Section 1)d) following the change to deactivate the Remove Volume Tiers table so as to keep the remainder of the Fee Schedule as currently formatted.

[4] *See* Fee Schedule, Section 1)d).

[5] The term ''Equity Member'' is a Member authorized by the Exchange to transact business on MIAX Pearl Equities. *See* Exchange Rule 1901.

[6] *See, generally,* Fee Schedule, Section 1)c).

[7] *See* Fee Schedule, Section 1)a).

[8] *See* Securities Exchange Act Release Nos. 93979 (January 14, 2022), 87 FR 3151 (January 20, 2022) (SR–PEARL–2022–01) (establishing two Remove Volume Tiers of reduced fees for removing liquidity in securities priced at or above $1.00 per share); 97124 (March 13, 2023), 88 FR 16504 (March 17, 2023) (SR–PEARL–2023–10) (amending the rates for the Remove Volume Tiers) *and* 97964 (July 24, 2023), 88 FR 48937 (July 28, 2023) (SR–PEARL–2023–31) (amending the rates for the Remove Volume Tiers).

[9] *See* Securities Exchange Act Release No. 99175 (December 14, 2023), 88 FR 88186 (December 20, 2023) (SR–PEARL–2023–69).

[10] A Midpoint Peg Order is a non-displayed Limit Order that is assigned a working price pegged to the midpoint of the PBBO. A Midpoint Peg Order receives a new timestamp each time its working price changes in response to changes to the midpoint of the PBBO. *See* Exchange Rule 2614(a)(3).

[11] With respect to the trading of equity securities, the term ''NBB'' shall mean the national best bid, the term ''NBO'' shall mean the national best offer, and the term ''NBBO'' shall mean the national best bid and offer. *See* Exchange Rule 1901.

[12] *See* Securities Exchange Act Release No. 96472 (December 9, 2022), 87 FR 76645 (December 15, 2022) (SR–PEARL–2022–53) (establishing new Liquidity Indicator Code ''Rp'').

[13] *See* Fee Schedule, Section 1)b), Liquidity Indicator Codes and Associated Fees, Liquidity Indicator Code ''Rp''.

[14] *See e.g.,* MEMX LLC (''MEMX'') Equities Fee Schedule, Transaction Fees, Fee Code ''R'' (providing standard remove volume fee of $0.0030 per share for executions of orders in securities priced at or above $1.00 per share); *and* Cboe BZX Exchange, Inc. (''BZX''), Equities Fee Schedule, Standard Rates (providing standard remove volume fee of $0.0030 per share for executions of orders in securities priced at or above $1.00 per share).

[15] *See, e.g.,* Securities Exchange Act Release Nos. 98472 (September 21, 2023), 88 FR 66533 (September 27, 2023) (SR–PEARL–2023–45); 99318 (January 11, 2024), 89 FR 3488 (January 18, 2024) (SR–PEARL–2023–73); *and* 99695 (March 8, 2024), 89 FR 18694 (March 14, 2024) (SR–PEARL–2024–11).

[16] The Exchange does not propose to amend the NBBO Setter Additive Rebate, which is an additive rebate of ($0.0004) per share for executions of orders in securities priced at or above $1.00 per share that set the NBB or NBO on MIAX Pearl Equities with a minimum size of a round lot. *See* Fee Schedule, Section 1)c). The Exchange notes that rebates are indicated by parentheses in the Fee Schedule. *See* the General Notes section of the Fee Schedule.

[17] The Exchange does not propose to amend the NBBO First Joiner Additive Rebate, which is an additive rebate of ($0.0002) per share for executions of orders in securities priced at or above $1.00 per share that bring MIAX Pearl Equities to the established NBB or NBO with a minimum size of a round lot. *See* Fee Schedule, Section 1)c).

[18] The Exchange does not propose to amend the Step-Up Rebate, which is an additive rebate of ($0.0001) per share for executions of orders in securities priced at or above $1.00 per share for Equity Members that satisfy two volume-based requirements. *See id.*

ADAV [19] as a percentage of TCV [20] of 0.35% and (ii) an increase in the percentage of displayed ADAV as a percentage of TCV of at least 0.05% as compared to the Equity Member's February 2024 displayed ADAV percentage.

Pursuant to the NBBO Setter Plus Table in Section 1)c) of the Fee Schedule, the NBBO Program provides six volume tiers enhanced by three market quality levels to provide increasing rebates in this segment. The six volume tiers are achievable by greater volume from the best of three alternative methods. The three market quality levels are achievable by greater NBBO participation in a minimum number of specific securities (described below).

MIAX Pearl Equities first determines the applicable NBBO Program tier based on three different volume calculation methods. The three volume-based methods to determine the Equity Member's tier for purposes of the NBBO Program are calculated in parallel in each month, and each Equity Member receives the highest tier achieved from any of the three methods each month. All three volume calculation methods are based on an Equity Member's respective ADAV, NBBO Set Volume, or ADV, each as a percent of industry TCV as the denominator.

Under volume calculation Method 1, the Exchange provides tiered rebates based on an Equity Member's ADAV as a percentage of TCV. An Equity Member qualifies for the base rebates in Tier 1 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.00% and less than 0.035% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 2 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.035% and less than 0.05% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 3 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.05% and less than 0.08% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 4 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.08% and less than 0.20% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 5 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.20% and less than 0.40% of TCV. Finally, an Equity Member qualifies for the enhanced rebates in Tier 6 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.40% of TCV.

Under volume calculation Method 2, the Exchange provides tiered rebates based on an Equity Member's NBBO Set Volume as a percentage of TCV. Under volume calculation Method 2, an Equity Member qualifies for the base rebates in Tier 1 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume of at least 0.00% and less than 0.01% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 2 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume of at least 0.01% and less than 0.015% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 3 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume of at least 0.015% and less than 0.02% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 4 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume of at least 0.02% and less than 0.03% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 5 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume of at least 0.03% and less than 0.08% of TCV. Finally, an Equity Member qualifies for the enhanced rebates in Tier 6 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume of at least 0.08% of TCV.

Under volume calculation Method 3, the Exchange provides tiered rebates based on an Equity Member's ADV as a percentage of TCV. An Equity Member qualifies for the base rebates in Tier 1 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADV of at least 0.00% and less than 0.15% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 2 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADV of at least 0.15% and less than 0.18% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 3 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADV of at least 0.18% and less than 0.20% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 4 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADV of at least 0.20% and less than 0.60% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 5 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADV of at least 0.60% and less than 1.00% of TCV. Finally, an Equity Member qualifies for the enhanced rebates in Tier 6 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADV of at least 1.00% of TCV.

After the volume calculation is performed to determine highest tier achieved by the Equity Member, the applicable rebate is calculated based on two different measurements based on the Equity Member's participation at the NBBO on the Exchange in certain securities (referenced below).

The Exchange provides one column of base rebates (referred to in the NBBO Setter Plus Table as ''Level A'') and two columns of enhanced rebates (referred to in the NBBO Setter Plus Table as ''Level B'' and ''Level C''),[21] depending on the Equity Member's Percent Time at

[19] ''ADAV'' means average daily added volume calculated as the number of shares added per day and ''ADV'' means average daily volume calculated as the number of shares added or removed, combined, per day. ADAV and ADV are calculated on a monthly basis. ''NBBO Set Volume'' means the ADAV in all securities of an Equity Member that sets the NBB or NBO on MIAX Pearl Equities. *See* the Definitions section of the Fee Schedule.

[20] ''TCV'' means total consolidated volume calculated as the volume in shares reported by all exchanges and reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply. *See id.*

[21] For the purpose of determining qualification for the rebates described in all Levels of the Market Quality Tier columns in the NBBO Setter Plus Table, the Exchange will exclude from its calculation: (1) any trading day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during regular trading hours; (2) any day with a scheduled early market close; and (3) the ''Russell Reconstitution Day'' (typically the last Friday in June). *See* the General Notes section of the Fee Schedule.

NBBO [22] on MIAX Pearl Equities in a certain amount of specified securities (''Market Quality Securities'' or ''MQ Securities'').[23] The NBBO Setter Plus Table specifies the percentage of time that the Equity Member must be at the NBB or NBO on MIAX Pearl Equities in at least 200 symbols out of the full list of 1,000 MQ Securities (which symbols may vary from time to time based on market conditions). The list of MQ Securities is generally based on the top multi-listed 1,000 symbols by ADV across all U.S. securities exchanges. The list of MQ Securities is updated monthly by the Exchange and published on the Exchange's website.[24]

The base rebates (''Level A'') are as follows: ($0.00220) per share in Tier 1; ($0.00290) per share in Tier 2; ($0.00300) per share in Tier 3; ($0.00310) per share in Tier 4; ($0.00335) per share in Tier 5; and ($0.00340) per share in Tier 6. Under Level B, the Exchange provides enhanced rebates for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes if the Equity Member's Percent Time at NBBO is at least 25% and less than 50% in at least 200 MQ Securities per trading day during the month. The Level B rebates are as follows: ($0.00225) per share in Tier 1; ($0.00295) per share in Tier 2; ($0.00305) per share in Tier 3; ($0.00315) per share in Tier 4; ($0.00340) per share in Tier 5; and ($0.00345) per share in Tier 6. Under Level C, the Exchange provides enhanced rebates for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes if the Equity Member's Percent Time at NBBO is at least 50% in at least 200 MQ Securities per trading day during the month. The Level C rebates are as follows: ($0.00230) per share in Tier 1; ($0.00300) per share in Tier 2; ($0.00310) per share in Tier 3; ($0.00320) per share in Tier 4; ($0.00345) per share in Tier 5;[25] and ($0.00350) per share in Tier 6.

Proposal To Amend the NBBO Program To Establish a New Volume Calculation Method

The Exchange proposes to amend the NBBO Setter Plus Table in Section 1)c) of the Fee Schedule to establish new volume calculation Method 4, which will be provide another volume calculation method for Equity Members to qualify for the enhanced rebates of the NBBO Program.[26] Proposed volume calculation Method 4 will be represented with a new column in the NBBO Setter Plus Table immediately following the column for volume calculation Method 3. Under proposed volume calculation Method 4, the Exchange will provide tiered rebates based on an Equity Member's ADAV as a percentage of TCV exclusive of executions of orders in securities priced below $1.00 per share across all Tapes. The Exchange proposes to establish new footnote #6 to the NBBO Setter Plus Table, which will state that ''[f]or volume calculation Method 4, when calculating both the numerator (ADAV) and the denominator (TCV), executions of orders in securities priced below $1.00 per share across all Tapes will be excluded.''

Under proposed volume calculation Method 4, an Equity Member will qualify for the base rebates in Tier 1 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.00% and less than 0.035% of TCV, exclusive of executions of orders in securities priced below $1.00 per share across all Tapes. An Equity Member will qualify for the enhanced rebates in Tier 2 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.035% and less than 0.05% of TCV, exclusive of executions of orders in securities priced below $1.00 per share across all Tapes. An Equity Member will qualify for the enhanced rebates in Tier 3 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.05% and less than 0.08% of TCV, exclusive of executions of orders in securities priced below $1.00 per share across all Tapes. An Equity Member will qualify for the enhanced rebates in Tier 4 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.08% and less than 0.20% of TCV, exclusive of executions of orders in securities priced below $1.00 per share across all Tapes. An Equity Member will qualify for the enhanced rebates in Tier 5 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.20% and less than 0.40% of TCV, exclusive of executions of orders in securities priced below $1.00 per share across all Tapes. Finally, an Equity Member will qualify for the enhanced rebates in Tier 6 for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.40% of TCV, exclusive of executions of orders in securities priced below $1.00 per share across all Tapes.

MIAX Pearl Equities will continue to first determine the applicable NBBO Program tier based on the four different volume calculation methods. The Exchange will continue to calculate the four volume-based methods to determine the Equity Member's tier for purposes of the NBBO Program in parallel in each month, and each Equity Member will receive the highest tier achieved from any of the four methods each month. The Exchange does not propose any other changes to the NBBO Program tiers, rebates or additional incentives.

The purpose of establishing proposed volume calculation Method 4, which excludes volume in sub-dollar securities from the calculation, is for business and competitive reasons. Generally, the ratio of consolidated volumes in securities priced at or above $1.00 per share relative to consolidated volumes inclusive of securities priced below $1.00 per share is usually stable from month to month, such that TCV has been a reasonable baseline for determining tiered incentives for Equity Members that execute order in securities priced at or above $1.00 per share on the Exchange. However, there have been recent months where volumes in securities priced below $1.00 per share

[22] ''Percent Time at NBBO'' means the aggregate of the percentage of time during regular trading hours where a Member has a displayed order of at least one round lot at the national best bid (''NBB'') or national best offer (''NBO''). *See* the Definitions section of the Fee Schedule.

[23] ''Market Quality Securities'' or ''MQ Securities'' shall mean a list of securities designated as such, that are used for the purposes of qualifying for the rebates described in Level B and Level C of the Market Quality Tier columns in the NBBO Setter Plus Program. The universe of these securities will be determined by the Exchange and published on the Exchange's website. *See id.*

[24] *See e.g,* MIAX Pearl Equities Exchange—Market Quality Securities (MQ Securities) List, effective May 1 through May 31, 2024, *available at https://www.miaxglobal.com/markets/us-equities/pearl-equities/fees* (last visited May 30, 2024).

[25] The Exchange provides an alternative method for Equity Members to qualify for the enhanced rebate of Tier 5, Level C by satisfying the following three requirements in the relevant month: (1) Midpoint ADAV of at least 2,500,000 shares; (2) displayed ADAV of at least 10,000,000 shares; and (3) Percent Time at the NBBO of at least 50% in 200 or more symbols from the list of MQ Securities. *See* Fee Schedule, Section 1)c), note 3. The Exchange does not propose to amend these alternative requirements pursuant to this proposal.

[26] The Exchange proposes to make minor updates to the introductory paragraph above the NBBO Setter Plus Table and footnote #1 of the NBBO Setter Plus Table in Section 1)c) of the Fee Schedule to change all references to ''three'' volume calculation methods to now be ''four'' volume calculation methods.

(''sub-dollar volume'') have been elevated, thereby impacting the ratio mentioned above.

Anomalous rises in sub-dollar volume may have a material adverse impact on Equity Members' qualifications for the pricing tiers and enhanced rebates in the NBBO Program because such qualifications depend upon Equity Members achieving threshold percentages of volumes as a percentage of TCV, and an extraordinary rise in sub-dollar volume may significantly elevate TCV. As a result, Equity Members may find it more difficult to qualify for or to continue to qualify for their existing incentives during months where there are such rises in sub-dollar volumes, even if their volume of executions of orders in securities priced at or above $1.00 per share have not diminished relative to prior months. The Exchange believes that it would be unfair for its Equity Members that execute significant volumes in securities priced at or above $1.00 per share on the Exchange to fail to achieve or to lose their existing incentives for such volumes due to anomalous behavior that is extraneous to them. Therefore, the Exchange proposes to amend the NBBO Program to establish new volume calculation Method 4 to provide an alternative option when extraordinary spikes in sub-dollar volumes from adversely affecting an Equity Member's qualification of incentives for their executions of orders in securities priced at or above $1.00 per share.

The Exchange notes that at least one other competing equities exchange calculates their members' volume for purposes of pricing tiers and incentives by excluding sub-dollar volumes from one calculation and utilizing the most advantageous volume calculation for such pricing tiers and incentives.[27] Accordingly, this proposal is not new or novel.

Implementation

The proposed fee changes are immediately effective.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act [28] in general, and furthers the objectives of Section 6(b)(4) of the Act [29] in particular, in that it is an equitable allocation of reasonable fees and other charges among its Equity Members and issuers and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with the objectives of Section 6(b)(5) [30] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, and 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, and, particularly, is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange operates in a highly fragmented and competitive market in which market participants can readily direct their order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of sixteen registered equities exchanges, and there are a number of alternative trading systems and other off-exchange venues, to which market participants may direct their order flow. For the month of May 2024, based on publicly available information, no single registered equities exchange had more than approximately 14–15% of the total market share of executed volume of equities trading.[31] Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. For the month of May 2024, the Exchange represented 1.68% of the total market share of executed volume of equities trading.[32] The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and also recognized that current regulation of the market system ''has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.'' [33]

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue to reduce use of certain categories of products, in response to new or different pricing structures being introduced into the market. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates, and market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable. The Exchange believes the proposal reflects a reasonable and competitive pricing structure designed to continue to incentivize market participants to direct their order flow to the Exchange, which the Exchange believes would continue to enhance liquidity and market quality to the benefit of all Equity Members and market participants.

Proposal To Amend Remove Volume Tiers Table and Liquidity Indicator Code ''Rp''

The Exchange believes the proposed changes to amend the fee associated with Liquidity Indicator Code ''Rp'' and deactivate the Remove Volume Tiers table and corresponding fee such that all executions of orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange will now be assessed the standard fee of $0.00295 per share are reasonable. This is because the Exchange's standard fee for removing liquidity in securities priced at or above $1.00 per share, as noted above, remains lower than, and competitive with, the standard fee charged by competing exchanges to remove liquidity in securities priced at or above $1.00 per share.[34] The Exchange further believes that the proposed changes are equitably allocated and not unfairly discriminatory because the standard fee

[27] *See* the Nasdaq Stock Market LLC (''Nasdaq'') Rules, Equity 7: Pricing Schedule, Section 114. Market Quality Incentive Programs, Section (h)(5) (''For purposes of calculating a member's qualifications for Tiers 1 and 2 of the QMM Program credits . . . the Exchange will calculate a member's volume and total Consolidated Volume twice. First, the Exchange will calculate a member's volume and total Consolidated Volume inclusive of volume that consists of executions in securities priced less than $1. Second, the Exchange will calculate a member's volume and total Consolidated Volume exclusive of volume that consists of executions in securities priced less than $1, while also applying distinct qualifying volume thresholds to each Tier. . . . The Exchange will then assess which of these two calculations would qualify the member for the most advantageous credits for the month and then it will apply those credits to the member.''). *See also* Securities Exchange Act Release No. 99535 (February 14, 2024), 89 FR 13125 (February 21, 2024) (SR–NASDAQ–2024–005).

[28] 15 U.S.C. 78f(b).

[29] 15 U.S.C. 78f(b)(4).

[30] 15 U.S.C 78f(b)(5).

[31] *See* the ''Market Share'' section of the Exchange's website, *available at https://www.miaxglobal.com/.*

[32] *Id.*

[33] *See* Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37499 (June 29, 2005).

[34] *See supra* note 14.

of $0.00295 per share for executions of all orders in securities priced at or above $1.00 per share and remove liquidity from the Exchange will apply equally to all Equity Members that remove liquidity.

Proposal To Amend the NBBO Program To Establish a New Volume Calculation Method

The Exchange believes its proposal to amend the NBBO Setter Plus Table to establish new volume calculation Method 4 is reasonable and equitable because, in its absence, Equity Members may experience material adverse impacts on their ability to qualify for the enhanced rebates of the NBBO Program during a month with an anomalous rise in sub-dollar volumes. The Exchange believes it is reasonable and equitable to not inadvertently penalize Equity Members that execute significant volumes on the Exchange due to anomalous and extraneous trading activities in sub-dollar securities. The proposed new volume calculation Method 4 would provide a means for Equity Members that add displayed liquidity an alternative method by determining whether calculating volume (*e.g.,* ADAV, NBBO Set Volume, or ADV) as a percentage of TCV to include or exclude sub-dollar volume would result in Equity Members qualifying for the most advantageous rebates. The Exchange would then be able to apply the most advantageous volume calculation that would result in the highest tier achieved for enhanced rebates of the NBBO Program for each Equity Member. The Exchange believes that the proposed rule change is equitable and not unfairly discriminatory because the Exchange does not intend for the proposal to advantage any particular Equity Member. The Exchange will continue to calculate all four volume calculation methods in parallel each month to ensure that each Equity Member receives the most advantageous volume calculation for purposes of determining tiers for the NBBO Program.

The Exchange believes that the proposal to establish volume calculation Method 4 provides a reasonable means to continue to encourage Equity Members to not only increase their order flow to the Exchange but also to contribute to price discovery and market quality on the Exchange by submitting aggressively priced displayed liquidity in securities priced at or above $1.00 per share. The Exchange believes that the NBBO Program, as modified with this proposal, continues to be equitable and not unfairly discriminatory because it is open to all Equity Members on an equal basis and provides enhanced rebates that are reasonably related to the value of the Exchange's market quality associated with greater order flow by Equity Members that set the NBBO, and the introduction of higher volumes of orders into the price and volume discovery process. The Exchange believes the proposal is equitable and not unfairly discriminatory because it is designed to incentivize the entry of aggressively priced displayed liquidity that will create tighter spreads, thereby promoting price discovery and market quality on the Exchange to the benefit of all Equity Members and public investors.

The Exchange notes that at least one other competing equities exchange calculates their members' volume for purposes of pricing tiers and incentives by excluding sub-dollar volumes from one calculation and utilizing the most advantageous volume calculation for such pricing tiers and incentives.[35]

For the reasons discussed above, the Exchange submits that the proposal satisfies the requirements of Sections 6(b)(4) and 6(b)(5) of the Act in that it provides for the equitable allocation of reasonable dues, fees and other charges among its Equity Members and other persons using its facilities and is not designed to unfairly discriminate between customers, issuers, brokers, or dealers. As described more fully below in the Exchange's statement regarding the burden on competition, the Exchange believes that its transaction pricing is subject to significant competitive forces, and that the proposed fees and rebates described herein are appropriate to address such forces.

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

The Exchange does not believe that the proposed changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition

The Exchange believes that the proposed changes to make the fee of $0.00295 per share for all executions of orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange will not impose any burden on intramarket competition because it represents a modest increase from the current Remove Volume Tier fee and fee for executions of Midpoint Peg Orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange. The Exchange believes the proposed changes to increase the fee associated with Liquidity Indicator Code ''Rp'' from $0.00265 per share to $0.00295 per share and to deactivate the Remove Volume Tiers table and corresponding fee do not impose any burden on intramarket competition because, with the proposed changes, all executions of orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange will now be assessed the standard fee of $0.00295 per share. Accordingly, the standard fee for executions of orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange will apply equally to all Equity Members.

The Exchange intends for its proposal to establish new volume calculation Method 4 to provide an alternative option for Equity Members to achieve the enhanced rebates of the NBBO Program due to anomalous spikes in sub-dollar volumes and is not intended to provide a competitive advantage to any particular Equity Member. Proposed volume calculation Method 4 will be eligible to all Equity Members equally in that the Exchange will calculate all four volume calculation methods in parallel each month and apply the most advantageous calculation to each Equity Member's volume to qualify for the enhanced rebates of the NBBO Program. Furthermore, the Exchange believes that the NBBO Program, as modified by this proposal, will continue to incentivize Equity Members to submit additional aggressively priced displayed liquidity to the Exchange, and to increase their order flow on the Exchange generally, thereby contributing to a deeper and more liquid market and promoting price discovery and market quality on the Exchange to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue. The Exchange believes that this, in turn, would continue to encourage market participants to direct additional order flow to the Exchange. Greater liquidity benefits all Equity Members by providing more trading opportunities and encourages Equity Members to send additional orders to the Exchange, thereby contributing to robust levels of liquidity, which benefits all market participants.

For the foregoing reasons, the Exchange believes the proposed changes would not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intermarket Competition

The Exchange believes its proposal will benefit competition as the

[35] *See supra* note 27.

Exchange operates in a highly competitive market. Equity Members have numerous alternative venues they may participate on and direct their order flow to, including fifteen other equities exchanges and numerous alternative trading systems and other off-exchange venues. As noted above, no single registered equities exchange currently has more than approximately 14–15% of the total market share of executed volume of equities trading. Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. Moreover, the Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow in response to new or different pricing structures being introduced to the market. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates generally, including with respect to executions of all orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange, and market participants can readily choose to send their orders to other exchanges and off-exchange venues if they deem fee levels at those other venues to be more favorable. As described above, the proposed changes are competitive proposals and the standard fee of $0.00295 per share for removing liquidity in securities priced at or above $1.00 per share remains lower than, or similar to, the standard fee to remove liquidity in securities priced at or above $1.00 per share charged by competing equities exchanges.[36] Further, the standard removal fee will apply to all Equity Members equally. In addition, the Exchange notes that at least one other competing equities exchange calculates their members' volume for purposes of pricing tiers and incentives by excluding sub-dollar volumes from one calculation and utilizing the most advantageous volume calculation for such pricing tiers and incentives.[37]

Additionally, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system ''has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.'' [38] The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition* v. *Securities and Exchange Commission,* the D.C. circuit stated: ''[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possess a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers' . . . .'' [39] Accordingly, the Exchange does not believe its proposed pricing changes impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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 foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act,[40] and Rule 19b–4(f)(2) [41] 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 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 (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–PEARL–2024–26 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–PEARL–2024–26. This file number should be included on the subject line if email 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 website (*https://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 a.m. and 3 p.m. Copies of the filing also 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–PEARL–2024–26 and should be submitted on or before July 12, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[42]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2024–13541 Filed 6–20–24; 8:45 am]

BILLING CODE 8011–01–P

[36] *See supra* note 14.

[37] *See supra* note 27.

[38] *See* Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

[39] *See NetCoalition* v. *SEC,* 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSE–2006–21)).

[40] 15 U.S.C. 78s(b)(3)(A)(ii).

[41] 17 CFR 240.19b–4(f)(2).

[42] 17 CFR 200.30–3(a)(12).