

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-101135; File No. SR-PEARL-2024-43)

September 23, 2024

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

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 September 10, 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 MIAX Pearl Equities Exchange Fee Schedule (the “Fee Schedule”) to amend Section 2)e), Member and Non-Member Technical Support Request Fee.

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 proposed rule change. The text of these statements may be examined at the places specified

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 Exchange³ proposes to amend Section 2)e), Member and Non-Member Technical Support Request Fee, to now include in the fee to be assessed to Equity Members⁴ and non-Members the cost of materials necessary for the Exchange's data center personnel to complete such technical support.

Background

The Exchange established the technical support request fee at the current hourly rate of \$200 per hour in 2020.⁵ The Exchange has an infrastructure comprised of low latency and ultra-low latency proximity solutions in several offsite data center locales offering universal access to all Exchange services via a single common connection across a variety of high speed network interfaces. The Exchange offers connectivity in and between its data center facilities and supports direct attachment of all network equipment or direct attached host systems of both Equity Member and non-Member users of the Exchange.

Technical support refers to the use of Exchange engineers to perform on-site technical support tasks in the data centers for Equity Members and non-Members, including the following support-related tasks: (1) power cycling of equipment; (2) patching and plugging in cabling and

³ References to "MIAX Pearl" in this filing are to the equities trading facility of MIAX PEARL, LLC. See Exchange Rule 1901.

⁴ The term "Equity Member" is a Member authorized by the Exchange to transact business on MIAX Pearl Equities. See Exchange Rule 1901.

⁵ See Securities Exchange Act Release No. 90651 (December 11, 2020), 85 FR 81971 (December 17, 2020) (SR-PEARL-2020-33). See also Fee Schedule, Section 2)e).

circuits; (3) observing, describing or reporting on display indicators; (4) configuration of hardware components instructed by the customer; (5) diagnosis and repairs as instructed by the customer; (6) swapping hardware components with Exchange-supplied or customer-supplied spares or upgrades; (7) troubleshooting heat related issues as instructed by customers; and (8) returning defective equipment to the manufacturer or customer.

Proposal

The Exchange proposes to amend Section 2)e), Member and Non-Member Technical Support Request Fee, to now include in the fee to be assessed to Equity Members and non-Members that request technical support the cost of materials necessary for the Exchange to complete such technical support in any of the Exchange's data centers. Some examples of materials for such technical support may include, but are not limited to, fiber optic cables, fiber spool, optical connectors (a device used to connect fiber optic cables), and patch cables.

The Exchange does not propose to assess any amount in excess of the cost of any materials that are necessary for the Exchange's on-site engineers to complete the requested technical support. The Exchange simply proposes to pass through the costs of the materials, if necessary, to complete such technical support. At least one competing exchange group similarly passes through the cost of materials to their customers when performing similar types of services in their data centers.⁶

2. Statutory Basis

⁶ See Nasdaq PHLX LLC Rules, General 8 Connectivity, Section 1(d) Additional Charges/Services (assessing \$264 per hour for Power Consulting Service plus the cost of materials, if necessary); The Nasdaq Stock Market LLC Rules, General 8: Connectivity, Section 1(d) Additional Charges/Services (assessing \$264 per hour for Power Consulting Service plus the cost of materials, if necessary); Nasdaq ISE, LLC Rules, General 8: Connectivity, Section 1(d) Additional Charges/Services (assessing \$264 per hour for Power Consulting Service plus the cost of materials, if necessary).

The Exchange believes that the proposed fees are consistent with Section 6(b) of the Act⁷ in general, and furthers the objectives of Section 6(b)(4) of the Act⁸ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among Equity Members and other persons using any facility or system which the Exchange operates or controls. The Exchange also believes the proposed fees further the objectives of Section 6(b)(5) of the Act⁹ in that they are designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general protect investors and the public interest and are not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

The Exchange believes it is reasonable to include in the cost of the technical support request fee the cost of any materials that are necessary for the Exchange's on-site engineers to complete the requested technical support because the Exchange will only pass through the actual costs it is charged by external vendors of such materials. The Exchange will not pass through any amount in excess of the cost of any materials that are necessary for the Exchange's on-site engineers to complete the requested technical support.

The Exchange believes the proposal is equitable and not unfairly discriminatory because the Exchange will pass through the costs of materials for requested technical support in an equal manner to all Equity Members and non-Members that request technical support in the data centers that requires the Exchange to purchase materials to complete such request. The cost for materials provided by the Exchange's external vendors supplying the materials will be passed through directly to the Equity Member or non-Member requesting technical support.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(4).

⁹ 15 U.S.C. 78f(b)(5).

Furthermore, Equity Members and non-Members are not required to use the technical support service. The Exchange offers this service as a convenience to all Equity Members and non-Members. The Exchange believes the proposal is reasonable because it will permit both Equity Members and non-Members to request the use of the Exchange's on-site data center personnel as technical support and as a convenience in order to test or otherwise assess the user's connectivity to the Exchange via its data centers, while paying for the cost of any materials the Exchange is required to purchase to complete such requests.

Additionally, at least one competing options exchange group passes through the cost of materials to their customers when performing similar types of services in their data centers.¹⁰ Accordingly, the Exchange believes the proposal is reasonable, equitable and not unfairly discriminatory.

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

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

Intra-Market Competition

The Exchange believes the proposal to pass through the cost of any materials that are necessary for the Exchange's on-site engineers to complete the requested technical support will not result in any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act because the Exchange will only pass-through the actual costs it is charged by third-party external vendors for such materials. At least one competing options exchange group similarly passes along charges assessed to those exchanges by third-

¹⁰ See supra note 6.

party external vendors supplying materials on behalf of that exchange group's customers.¹¹

Additionally, the pass through of costs for materials will be assessed equally to all Equity Members and non-Members who request technical support that requires the Exchange to purchase materials to complete the requested support. The Exchange notes that Equity Members and non-Members are not required to use the service. The Exchange offers this service as a convenience to all Equity Members and non-Members. The Exchange believes the proposal will not impose any burden on intra-market competition because it will permit both Equity Members and non-Members to request the use of the Exchange's on-site data center personnel as technical support and as a convenience in order to test or otherwise assess the user's connectivity to the Exchange via its data centers.

Inter-Market Competition

The Exchange believes that the proposed changes will not result in any burden on inter-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, market participants are not forced to connect to and trade on all exchanges. The Exchange believes that the proposed pass-through of costs for materials for technical support will not cause any burden on inter-market competition because none of these changes impact other exchanges' ability to compete.

Accordingly, the Exchange does not believe its proposed fee 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

¹¹ See id.

Pursuant to Section 19(b)(3)(A)(ii) of the Act,¹² and Rule 19b-4(f)(2) thereunder¹³ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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-2024-43 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-2024-43. 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

¹² 15 U.S.C. 78s(b)(3)(A)(ii).

¹³ 17 CFR 240.19b-4.

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-2024-43 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Vanessa A. Countryman,

Secretary.

¹⁴ 17 CFR 200.30-3(a)(12).