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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
Form 19b-4

File No. \* SR 2024 - \* 55

Amendment No. (req. for Amendments \*)

Filing by MIAX PEARL, LLC

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

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule		Please select "New Form/19b-4(f)(6) Non-controversial" to create 19b-4(f)(6) filing.
			<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)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010  
Section 806(e)(1) \*

Section 806(e)(2) \*

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934  
Section 3C(b)(2) \*

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

**Description**

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

Proposal to amend the MIAX Pearl Rulebook to make non-substantive and clarifying changes.

**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 \* Michael Last Name \* Slade

Title \* AVP, Associate Counsel

E-mail \* mslade@miaxglobal.com

Telephone \* (609) 955-0460 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 11/21/2024 (Title \*)

By Michael Slade AVP, Associate Counsel  
(Name \*)

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: 2024.11.21 16:55:17 -05'00'

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 EDFS website.

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

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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-2024-55 - 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-2024-55 - Exhibit 5.docx

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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 (“Exchange Act” or “Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> proposes to make non-substantive, clarifying changes to the Exchange’s Rulebook.

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 19, 2024. 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 Michael Slade, AVP and Associate Counsel, at (609) 955-0460.

## 3. **Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

### a. Purpose

#### Proposal to Amend Chapter III

The Exchange proposes to make non-substantive clarifying changes to the second

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

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

paragraph of Chapter III to provide accuracy and precision within the rule text. For background, Regulation SCI and MIAX<sup>3</sup> Rule 321 require MIAX Pearl to designate certain members of both the options and equities trading facilities of MIAX Pearl to participate in business continuity and disaster recovery testing in a manner specified by MIAX Pearl and at a frequency of not less than once every 12 months.<sup>4</sup> Such testing ordinarily is part of an annual industry-wide test. MIAX Rule 321, as incorporated into the MIAX Pearl Rulebook, governs mandatory participation in testing of MIAX Pearl's backup systems. In particular, MIAX Rule 321, as incorporated, requires MIAX Pearl to designate certain Members<sup>5</sup> and Equity Members<sup>6</sup> that account for a specified percentage of executed volume on MIAX Pearl (separately, with respect to the options and equities trading facilities of MIAX Pearl), measured on quarterly basis, to connect to the MIAX Pearl backup systems and participate in functional and performance testing of such system.<sup>7</sup>

On August 14, 2020, the U.S. Securities and Exchange Commission ("Commission") approved the Exchange's proposal to adopt rules governing the trading of equity securities, referred to as MIAX Pearl Equities.<sup>8</sup> MIAX Pearl Equities began trading on September 25,

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<sup>3</sup> The term "MIAX" means Miami International Securities Exchange, LLC. See Exchange Rule 100. The rules contained in MIAX Chapter III, as such rules may be in effect from time to time, are incorporated by reference into MIAX Pearl Chapter III, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. See Chapter III of Exchange's Rulebook.

<sup>4</sup> See MIAX Rule 321(a)-(b).

<sup>5</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.

<sup>6</sup> The term "Equity Member" is a Member authorized by the Exchange to transact business on MIAX Pearl Equities. See Exchange Rule 1901. The term "MIAX Pearl Equities" shall mean MIAX Pearl Equities, a facility of MIAX PEARL, LLC. See id.

<sup>7</sup> See MIAX Rule 321(b).

<sup>8</sup> See Securities Exchange Act Release No. 89563 (August 14, 2020), 85 FR 51510 (August 20, 2020) (SR-PEARL-2020-03).

2020.<sup>9</sup> For calendar year 2020, the annual business continuity and disaster recovery industry-wide test was scheduled for October 24, 2020. MIAX Pearl Equities did not have two quarters of trading data on which to base its Equity Member designation prior to the October 24, 2020 test. Thus, MIAX Rule 321 would not permit MIAX Pearl Equities to designate any Equity Members to participate in the industry-wide test for 2020 because no Equity Members would have the requisite trading volume on MIAX Pearl Equities upon which a designation could be made at that time.

To address the unique circumstances for disaster recovery testing in 2020, the year in which MIAX Pearl Equities became operational, the Exchange amended Chapter III of the Exchange's Rules to provide that for calendar year 2020, notwithstanding paragraph (b) and Interpretations and Policies .01 of MIAX Rule 321, which assigns the Exchange responsibility of "identifying Members that account for a meaningful percentage of the Exchange's overall volume," the Exchange instead designated at least three Equity Members on MIAX Pearl Equities who have a meaningful percentage of trading volume in NMS Stocks across the other equity exchanges in 2020.<sup>10</sup> This allowed MIAX Pearl Equities to identify Equity Members for industry-wide disaster recovery testing in the absence of the metrics that are used in the ordinary course to designate such firms.

MIAX Pearl Equities now has sufficient trading data each year to designate Equity Members that account for a specified percentage of executed volume on MIAX Pearl Equities, measured on quarterly basis, to require certain Equity Members to connect to the MIAX Pearl

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<sup>9</sup> See "MIAX PEARL Receives Approval to Operate Equities Exchange; Launch Date Confirmed for September 25, 2020," available at [https://www.miaxglobal.com/sites/default/files/alert-files/MIAX\\_Press\\_Release\\_08182020.pdf](https://www.miaxglobal.com/sites/default/files/alert-files/MIAX_Press_Release_08182020.pdf)

<sup>10</sup> See Securities Exchange Act Release No. 89736 (September 2, 2020), 85 FR 55730 (September 9, 2020) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Designation of Members for Mandatory Disaster Recovery Testing Pursuant to Regulation SCI for Calendar Year 2020).

backup systems and participate in functional and performance testing of such system. Since the unique circumstances for disaster recovery testing in 2020 no longer exists, the Exchange now proposes to delete the second paragraph of Chapter III. The purpose of the proposed change is to delete the outdated rule text.

#### Proposal to Amend Exchange Rule 503

The Exchange proposes to make non-substantive, clarifying changes to subparagraphs (a)(3)-(4) of Exchange Rule 503 to provide consistency within the rule text.

Specifically, the Exchange proposes to amend the announcement method by requiring announcements through a Regulatory Circular, instead of a post on the Exchange's website, for the purpose of Exchange Rule 503. The Exchange proposes to replace "on the Exchange's website" with "through a Regulatory Circular" at the end of subparagraph (a)(3) of Exchange Rule 503. The Exchange proposes to replace "published by the Exchange on its website" with "announced to Members through a Regulatory Circular" at the end of the first sentence of subparagraph (a)(4) of Exchange Rule 503. The Exchange proposes to replace "posted by MIA X Pearl on its website" with "announced to Members through a Regulatory Circular" at the end of the second sentence of subparagraph (a)(4) of Exchange Rule 503. The purpose of the proposed changes is to harmonize the Exchange's rules and provide consistency within the Exchange's Rulebook as the Exchange, and its affiliates, historically announce such information through a Regulatory Circular.<sup>11</sup> The proposed changes do not impact or alter the information provided to any Member. Accordingly, with the proposed changes, subparagraphs (a)(3)-(4) of

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<sup>11</sup> See, e.g., MIA X Rule 503(d); see also MIA X Pearl Options Exchange Regulatory Circular 2024-58, Market for Underlying Security Used for Openings on MIA X Options, MIA X Pearl Options, MIA X Emerald Options and MIA X Sapphire Options for Newly Listed Symbols Effective Wednesday, October 23, 2024, available at [https://www.miaxglobal.com/sites/default/files/circular-files/MIA X\\_Pearl\\_Options\\_RC\\_2024\\_58.pdf](https://www.miaxglobal.com/sites/default/files/circular-files/MIA X_Pearl_Options_RC_2024_58.pdf).

Exchange Rule 503 will provide as follows:

(3) “Market for the Underlying Security” shall mean either the primary listing market, the primary volume market (defined as the market with the most liquidity in that underlying security for the previous two calendar months), or the first market to open the underlying security, as determined by the Exchange on a class by class basis and announced to Members through a Regulatory Circular.

(4) “Valid Width National Best Bid or Offer” or “Valid Width NBBO” shall mean the combination of all away market quotes and any combination of MIAX Pearl Market Maker orders and quotes received from a minimum number of away markets and a minimum number of MIAX Pearl Market Makers within a specified bid/ask differential each as established and announced to Members through a Regulatory Circular. The Valid Width NBBO will be configurable by the underlying, and tables with valid width differentials will be announced to Members through a Regulatory Circular. Away markets that are crossed will void all Valid Width NBBO calculations. If any Market Maker orders or quotes on MIAX Pearl are crossed internally, then all such orders and quotes will be excluded from the Valid Width NBBO calculation. If any Market Maker orders or quotes on MIAX Pearl are locking or crossing the ABBO, the Market Maker’s orders or quotes will be considered to be at the locked or crossed ABBO price for purposes of calculating the Valid Width NBBO.

#### Proposal to Delete All References to Mini-Options

The Exchange proposes to delete all outdated references to mini-options in the rule text.<sup>12</sup>

On September 8, 2016, the Commission approved the Exchange’s Form 1 application to register as a national securities exchange under Section 6 of the Exchange Act.<sup>13</sup> At that time, the Exchange established rule text for mini-options. Mini-options never gained significant market acceptance and have not achieved the expected level of traction or success in its target market. Accordingly, all mini-options were delisted several years ago and the Exchange does not have plans to re-list them in the foreseeable future. As the Exchange no longer offers mini-option

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<sup>12</sup> The Exchange anticipates it will file a separate rule filing pursuant to Rule 19b-4 of the Exchange Act with the Commission to remove references to “mini-options” in the MIAX Pearl Options Exchange Fee Schedule, including outdated tables that still list fees (or rebates) for transactions by market participants in mini-options.

<sup>13</sup> See Securities Exchange Act Release No. 78793 (September 8, 2016), 81 FR 63238 (September 14, 2016) (File No. 10-227) (Exhibit B) (establishing rules for mini-options).

contracts, the Exchange proposes to delete all references to mini-options to provide greater clarity to Members and the public regarding the Exchange's offerings and Rulebook. The Exchange also notes that other exchanges filed similar proposals to delete references to mini-options.<sup>14</sup> In the event that the Exchange desires to list mini-options in the future, the Exchange will file a rule change with the Commission to adopt rules to list mini-options and corresponding fees and rebates for transactions in mini-options, if applicable.

Specifically, the Exchange proposes to delete the content in Interpretations and Policies .08 of Exchange Rule 404 and then insert "Reserved" so as to keep the remainder of the Rulebook as currently formatted. The Exchange proposes to delete the content in subparagraph (c) of Exchange Rule 509 and then insert "Reserved" so as to keep the remainder of the Rulebook as currently formatted. The Exchange proposes to delete the content in Interpretations and Policies .02 of Exchange Rule 510 and then insert "Reserved" so as to keep the remainder of the Rulebook as currently formatted.

#### Proposal to Update Citations to Rule 600(b) of Regulation NMS

The Exchange proposes to update citations to Rule 600(b) of Regulation NMS in Exchange Rule 100, Definitions, Rule 530, Limit Up-Limit Down, Rule 2612, Minimum Price Variations, Rule 2614, Orders and Order Instructions, and Rule 2705, Prohibition Against Trading Ahead of Customer Orders.

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<sup>14</sup> See Securities Exchange Act Release No. 88374 (March 12, 2020), 85 FR 15522 (March 18, 2020) (SR-Phlx-2020-08) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Certain Phlx Rules To Remove References to Mini Options); see also Securities Exchange Act Release No. 88458 (March 23, 2020), 85 FR 17372 (March 27, 2020) (SR-MRX-2020-07) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to the Removal of Obsolete Listing Rules); see also Securities Exchange Act Release No. 88456 (March 23, 2020), 85 FR 17126 (March 26, 2020) (SR-ISE-2020-11) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to the Removal of Obsolete Listing Rules).



In 2024, the Commission amended Regulation NMS under the Act to update the rule that requires disclosures for order executions in national market system (“NMS”) stocks.<sup>15</sup> As part of that initiative, the Commission adopted new definitions in Rule 600(b) of Regulation NMS and renumbered the remaining definitions, including the definitions of Trading Center (formerly Rule 600(b)(95)), Regular Trading Hours (formerly Rule 600(b)(77)), NMS Stock (formerly Rule 600(b)(55)), and Intermarket Sweep Orders (formerly Rule 600(b)(38)).

The Exchange accordingly proposes to update the relevant citations to Rule 600(b) in its rules as follows:

- The citation to the definition of Trading Center in Rule 100 would be changed to Rule 600(b)(106).
- The citation to the definition of Regular Trading Hours in Rule 530, Limit Up-Limit Down, would be changed to Rule 600(b)(88).
- The citation to the definition of NMS Stock in Rule 2612 would be changed to Rule 600(b)(65).
- The citation to the definition of Intermarket Sweep Orders in Rule 2614 would be changed to Rule 600(b)(47).
- The citation to the second requirement of the definition of Intermarket Sweep Order would be changed to Rule 600(b)(47)(ii).

b. Statutory Basis

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<sup>15</sup> See Securities Exchange Act Release No. 99679, 89 FR 26428 (April 15, 2024) (S7-29-22).

The Exchange believes that the proposed changes are consistent with Section 6(b) of the Act<sup>16</sup> in general, and further the objectives of Section 6(b)(1) of the Act<sup>17</sup> in particular, in that they are designed to enforce compliance by the Exchange's Members and persons associated with its Members and Equity Members, with the provisions of the rules of the Exchange.

In particular, the Exchange believes that the proposed changes are designed to enforce compliance by the Exchange's Members and Equity Members with the provisions of the rules of the Exchange because the changes will provide greater clarity to Members, Equity Members and the public regarding the Exchange's Rulebook by deleting the outdated rule text in Chapter III that is no longer applicable, amending the announcement method for certain types of openings on the Exchange, deleting outdated references to mini-options that are no longer offered by the Exchange, and updating the citations to Rule 600(b) of Regulation NMS.

The proposed change to delete the second paragraph of Chapter III of the Rulebook is to delete the outdated rule text since the unique circumstances for disaster recovery testing in 2020 no longer exists for Equity Members of MIAX Pearl Equities. The proposed changes to amend the announcement method for certain types of openings on the Exchange are to harmonize the rules and provide consistency within the Exchange's Rulebook as the Exchange, and its affiliates, historically announce such information through a Regulatory Circular. The proposed changes to remove outdated references to mini-options will help enforce compliance with the Exchange's rules by removing obsolete rule text. Mini-options were delisted from the Exchange years ago since mini-options failed to gain significant market acceptance and never achieved the expected level of traction or success in its target market.

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<sup>16</sup> 15 U.S.C. 78f(b).

<sup>17</sup> 15 U.S.C. 78f(b)(1).

The proposed changes to update the citations to Rule 600(b) of Regulation NMS are to correct inaccurate rule citations, thereby reducing potential confusion and ensuring that those subject to the Exchange's jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange's rules. The Exchange believes that the proposed changes will help enforce compliance with the Exchange's rules by providing clarity and consistency within the Exchange's Rulebook, thereby making it easier for Members and Equity Members to interpret the Exchange's Rulebook. The Exchange believes that Members and Equity Members would benefit from the increased clarity and consistency, thereby alleviating potential investor or market participant confusion.

The Exchange believes that the proposed rule changes also further the objectives of Section 6(b)(5) of the Act. In particular, they are designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, 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 and Equity Members and the public regarding the Exchange's Rulebook by deleting the outdated rule text in Chapter III of the Rulebook that is no longer applicable to Equity Members, amending the announcement method for certain types of openings on the Exchange to provide consistency within the Rulebook, deleting outdated references to mini-options that are

no longer offered by the Exchange, and updating citations to Rule 600(b) of Regulation NMS. It is in the public interest for the Exchange's Rulebook to be accurate and consistent 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 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<sup>18</sup> and because the rules of the Exchange apply to all Members and Equity Members equally.

The proposed change to delete the second paragraph of Chapter III of the Rulebook is to delete the outdated rule text applicable to Equity Members since the unique circumstances for disaster recovery testing in 2020 no longer exists. The proposed changes to amend the announcement method for certain types of openings on the Exchange are to harmonize the rules and provide consistency within the Exchange's Rulebook as the Exchange, and its affiliates, historically announce such information through a Regulatory Circular. The proposed changes to remove obsolete rule text include the removal of outdated references to mini-options. Mini-options are no longer offered by the Exchange since mini-options failed to gain significant market acceptance and have not achieved the expected level of traction or success in its target market. The proposed changes to update the citations to Rule 600(b) of Regulation NMS are to correct inaccurate rule citations, reduce potential confusion, and ensure that market participants can more easily navigate and understand the Exchange's rules. The proposed rule changes will

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<sup>18</sup> The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

have no impact on competition as they are not designed to address any competitive issue but rather are designed to remedy minor, non-substantive issues and provide added clarity to the Exchange's Rulebook.

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 but rather would provide additional clarity in the Exchange's rule by deleting the outdated rule text in Chapter III of the Rulebook that is no longer applicable, amending the announcement method for certain types of openings on the Exchange, deleting outdated references to mini-options that are no longer offered by the Exchange, and updating citations to Rule 600(b) of Regulation NMS. Since the proposal does not substantively modify System functionality or processes on the Exchange, the proposed changes will not impose any burden on competition nor are they meant to affect competition among the exchanges.

**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>19</sup> and Rule 19b-4(f)(6)<sup>20</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

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<sup>19</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>20</sup> 17 CFR 240.19b-4(f)(6).

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 significantly affect the protection of investors or the public interest but rather promote the protection of investors and the public interest by deleting the outdated rule text in Chapter III of the Rulebook that is no longer applicable to Equity Members, amending the announcement method for certain types of openings on the Exchange to provide consistency within the Exchange's Rulebook, deleting outdated references to mini-options that are no longer offered by the Exchange, and correcting incorrect citations, and thereby improving the accuracy and consistency of the Exchange's rules which reduces the likelihood of confusion. Additionally, the Exchange does not believe that its proposal imposes a significant burden on competition as the Exchange's proposal is non-substantive in nature and is not designed to address any competitive issues but rather is intended to clarify the Exchange's rules.

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>21</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)<sup>22</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest.

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<sup>21</sup> Id.

<sup>22</sup> 17 CFR 240.19b-4(f)(6).

The Exchange respectfully requests that the Commission waive the requirement that the proposed rules changes, by its terms, not become operative for 30 days after the date of the filing as set forth in Rule 19b-4(f)(6)(iii),<sup>23</sup> so that the proposed rules changes may become operative immediately. The Exchange believes that the proposed changes will not adversely impact investors and will permit the Exchange to delete the outdated rule text in Chapter III of the Rulebook that is no longer applicable, amend the announcement method for certain types of openings on the Exchange, delete outdated references to mini-options that are no longer offered by the Exchange, and correcting incorrect citations in order to alleviate potential investor or public confusion and to add clarity to its rules. The proposed change to delete the second paragraph of Chapter III of the Rulebook is to delete the outdated rule text, since the unique circumstances for disaster recovery testing in 2020 no longer exists. The proposed changes to amend the announcement method for certain types of openings on the Exchange are to harmonize the rules and provide accuracy and consistency within the Exchange's Rulebook as the Exchange, and its affiliates, historically announce such information through a Regulatory Circular. The proposed changes to remove references to mini-options are to remove obsolete rule text. Mini-options are no longer offered by the Exchange since mini-options failed to gain significant market acceptance and have not achieved the expected level of traction or success in its target market.<sup>24</sup> The proposed changes to update the citations to Rule 600(b) of Regulation NMS are to correct inaccurate rule citations, reduce potential confusion, and ensure that those subject to the Exchange's jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange's rules. Because the proposed rules changes do not raise

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<sup>23</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>24</sup> The Exchange notes that other exchanges filed similar proposals to delete references to mini-options. See supra note 14.

any new or novel regulatory issues, the Exchange believes that waiver of the operative delay would be consistent with the protection of investors and the public interest. Additionally, waiver of the operative delay is consistent with the protection of investors and the public interest because the proposal promotes the protection of investors or the public interest because it deletes the obsolete language in the Rulebook, corrects inaccurate rule citations, and changes the announcement method for certain types of openings on the Exchange to make it consistent with the Exchange's historical announcement method, thereby alleviating potential investor or market participant confusion.

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.

**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-2024-55)

November \_\_\_\_, 2024

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX PEARL, LLC to Make Non-Substantive, Clarifying Changes to the Exchange's Rulebook.

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 November \_\_\_\_, 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 make non-substantive, clarifying changes to the Exchange's Rulebook.

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

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

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

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

Proposal to Amend Chapter III

The Exchange proposes to make non-substantive clarifying changes to the second paragraph of Chapter III to provide accuracy and precision within the rule text. For background, Regulation SCI and MIAX<sup>3</sup> Rule 321 require MIAX Pearl to designate certain members of both the options and equities trading facilities of MIAX Pearl to participate in business continuity and disaster recovery testing in a manner specified by MIAX Pearl and at a frequency of not less than once every 12 months.<sup>4</sup> Such testing ordinarily is part of an annual industry-wide test. MIAX Rule 321, as incorporated into the MIAX Pearl Rulebook, governs mandatory participation in testing of MIAX Pearl's backup systems. In particular, MIAX Rule 321, as incorporated, requires MIAX Pearl to designate certain Members<sup>5</sup> and Equity Members<sup>6</sup> that account for a specified percentage of executed volume on MIAX Pearl (separately, with respect to the options and equities trading facilities of MIAX Pearl), measured on quarterly basis, to connect to the

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<sup>3</sup> The term "MIAX" means Miami International Securities Exchange, LLC. See Exchange Rule 100. The rules contained in MIAX Chapter III, as such rules may be in effect from time to time, are incorporated by reference into MIAX Pearl Chapter III, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. See Chapter III of Exchange's Rulebook.

<sup>4</sup> See MIAX Rule 321(a)-(b).

<sup>5</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.

<sup>6</sup> The term "Equity Member" is a Member authorized by the Exchange to transact business on MIAX Pearl Equities. See Exchange Rule 1901. The term "MIAX Pearl Equities" shall mean MIAX Pearl Equities, a facility of MIAX PEARL, LLC. See id.

MIAX Pearl backup systems and participate in functional and performance testing of such system.<sup>7</sup>

On August 14, 2020, the U.S. Securities and Exchange Commission (“Commission”) approved the Exchange’s proposal to adopt rules governing the trading of equity securities, referred to as MIAX Pearl Equities.<sup>8</sup> MIAX Pearl Equities began trading on September 25, 2020.<sup>9</sup> For calendar year 2020, the annual business continuity and disaster recovery industry-wide test was scheduled for October 24, 2020. MIAX Pearl Equities did not have two quarters of trading data on which to base its Equity Member designation prior to the October 24, 2020 test. Thus, MIAX Rule 321 would not permit MIAX Pearl Equities to designate any Equity Members to participate in the industry-wide test for 2020 because no Equity Members would have the requisite trading volume on MIAX Pearl Equities upon which a designation could be made at that time.

To address the unique circumstances for disaster recovery testing in 2020, the year in which MIAX Pearl Equities became operational, the Exchange amended Chapter III of the Exchange’s Rules to provide that for calendar year 2020, notwithstanding paragraph (b) and Interpretations and Policies .01 of MIAX Rule 321, which assigns the Exchange responsibility of “identifying Members that account for a meaningful percentage of the Exchange’s overall volume,” the Exchange instead designated at least three Equity Members on MIAX Pearl Equities who have a meaningful percentage of trading volume in NMS Stocks across the other

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<sup>7</sup> See MIAX Rule 321(b).

<sup>8</sup> See Securities Exchange Act Release No. 89563 (August 14, 2020), 85 FR 51510 (August 20, 2020) (SR-PEARL-2020-03).

<sup>9</sup> See “MIAX PEARL Receives Approval to Operate Equities Exchange; Launch Date Confirmed for September 25, 2020,” available at [https://www.miaxglobal.com/sites/default/files/alert-files/MIAX\\_Press\\_Release\\_08182020.pdf](https://www.miaxglobal.com/sites/default/files/alert-files/MIAX_Press_Release_08182020.pdf)

equity exchanges in 2020.<sup>10</sup> This allowed MIAX Pearl Equities to identify Equity Members for industry-wide disaster recovery testing in the absence of the metrics that are used in the ordinary course to designate such firms.

MIAX Pearl Equities now has sufficient trading data each year to designate Equity Members that account for a specified percentage of executed volume on MIAX Pearl Equities, measured on quarterly basis, to require certain Equity Members to connect to the MIAX Pearl backup systems and participate in functional and performance testing of such system. Since the unique circumstances for disaster recovery testing in 2020 no longer exists, the Exchange now proposes to delete the second paragraph of Chapter III. The purpose of the proposed change is to delete the outdated rule text.

#### Proposal to Amend Exchange Rule 503

The Exchange proposes to make non-substantive, clarifying changes to subparagraphs (a)(3)-(4) of Exchange Rule 503 to provide consistency within the rule text.

Specifically, the Exchange proposes to amend the announcement method by requiring announcements through a Regulatory Circular, instead of a post on the Exchange's website, for the purpose of Exchange Rule 503. The Exchange proposes to replace "on the Exchange's website" with "through a Regulatory Circular" at the end of subparagraph (a)(3) of Exchange Rule 503. The Exchange proposes to replace "published by the Exchange on its website" with "announced to Members through a Regulatory Circular" at the end of the first sentence of subparagraph (a)(4) of Exchange Rule 503. The Exchange proposes to replace "posted by MIAX Pearl on its website" with "announced to Members through a Regulatory Circular" at the end of the second sentence of subparagraph (a)(4) of Exchange Rule 503. The purpose of the

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<sup>10</sup> See Securities Exchange Act Release No. 89736 (September 2, 2020), 85 FR 55730 (September 9, 2020) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Designation of Members for Mandatory Disaster Recovery Testing Pursuant to Regulation SCI for Calendar Year 2020).

proposed changes is to harmonize the Exchange's rules and provide consistency within the Exchange's Rulebook as the Exchange, and its affiliates, historically announce such information through a Regulatory Circular.<sup>11</sup> The proposed changes do not impact or alter the information provided to any Member. Accordingly, with the proposed changes, subparagraphs (a)(3)-(4) of Exchange Rule 503 will provide as follows:

(3) "Market for the Underlying Security" shall mean either the primary listing market, the primary volume market (defined as the market with the most liquidity in that underlying security for the previous two calendar months), or the first market to open the underlying security, as determined by the Exchange on a class by class basis and announced to Members through a Regulatory Circular.

(4) "Valid Width National Best Bid or Offer" or "Valid Width NBBO" shall mean the combination of all away market quotes and any combination of MIAX Pearl Market Maker orders and quotes received from a minimum number of away markets and a minimum number of MIAX Pearl Market Makers within a specified bid/ask differential each as established and announced to Members through a Regulatory Circular. The Valid Width NBBO will be configurable by the underlying, and tables with valid width differentials will be announced to Members through a Regulatory Circular. Away markets that are crossed will void all Valid Width NBBO calculations. If any Market Maker orders or quotes on MIAX Pearl are crossed internally, then all such orders and quotes will be excluded from the Valid Width NBBO calculation. If any Market Maker orders or quotes on MIAX Pearl are locking or crossing the ABBO, the Market Maker's orders or quotes will be considered to be at the locked or crossed ABBO price for purposes of calculating the Valid Width NBBO.

#### Proposal to Delete All References to Mini-Options

The Exchange proposes to delete all outdated references to mini-options in the rule text.<sup>12</sup>

On September 8, 2016, the Commission approved the Exchange's Form 1 application to register

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<sup>11</sup> See, e.g., MIAX Rule 503(d); see also MIAX Pearl Options Exchange Regulatory Circular 2024-58, Market for Underlying Security Used for Openings on MIAX Options, MIAX Pearl Options, MIAX Emerald Options and MIAX Sapphire Options for Newly Listed Symbols Effective Wednesday, October 23, 2024, available at [https://www.miaxglobal.com/sites/default/files/circular-files/MIAX\\_Pearl\\_Options\\_RC\\_2024\\_58.pdf](https://www.miaxglobal.com/sites/default/files/circular-files/MIAX_Pearl_Options_RC_2024_58.pdf).

<sup>12</sup> The Exchange anticipates it will file a separate rule filing pursuant to Rule 19b-4 of the Exchange Act with the Commission to remove references to "mini-options" in the MIAX Pearl Options Exchange Fee Schedule, including outdated tables that still list fees (or rebates) for transactions by market participants in mini-options.

as a national securities exchange under Section 6 of the Exchange Act.<sup>13</sup> At that time, the Exchange established rule text for mini-options. Mini-options never gained significant market acceptance and have not achieved the expected level of traction or success in its target market. Accordingly, all mini-options were delisted several years ago and the Exchange does not have plans to re-list them in the foreseeable future. As the Exchange no longer offers mini-option contracts, the Exchange proposes to delete all references to mini-options to provide greater clarity to Members and the public regarding the Exchange's offerings and Rulebook. The Exchange also notes that other exchanges filed similar proposals to delete references to mini-options.<sup>14</sup> In the event that the Exchange desires to list mini-options in the future, the Exchange will file a rule change with the Commission to adopt rules to list mini-options and corresponding fees and rebates for transactions in mini-options, if applicable.

Specifically, the Exchange proposes to delete the content in Interpretations and Policies .08 of Exchange Rule 404 and then insert "Reserved" so as to keep the remainder of the Rulebook as currently formatted. The Exchange proposes to delete the content in subparagraph (c) of Exchange Rule 509 and then insert "Reserved" so as to keep the remainder of the Rulebook as currently formatted. The Exchange proposes to delete the content in Interpretations and Policies .02 of Exchange Rule 510 and then insert "Reserved" so as to keep the remainder of the Rulebook as currently formatted.

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<sup>13</sup> See Securities Exchange Act Release No. 78793 (September 8, 2016), 81 FR 63238 (September 14, 2016) (File No. 10-227) (Exhibit B) (establishing rules for mini-options).

<sup>14</sup> See Securities Exchange Act Release No. 88374 (March 12, 2020), 85 FR 15522 (March 18, 2020) (SR-Phlx-2020-08) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Certain Phlx Rules To Remove References to Mini Options); see also Securities Exchange Act Release No. 88458 (March 23, 2020), 85 FR 17372 (March 27, 2020) (SR-MRX-2020-07) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to the Removal of Obsolete Listing Rules); see also Securities Exchange Act Release No. 88456 (March 23, 2020), 85 FR 17126 (March 26, 2020) (SR-ISE-2020-11) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to the Removal of Obsolete Listing Rules).

Proposal to Update Citations to Rule 600(b) of Regulation NMS

The Exchange proposes to update citations to Rule 600(b) of Regulation NMS in Exchange Rule 100, Definitions, Rule 530, Limit Up-Limit Down, Rule 2612, Minimum Price Variations, Rule 2614, Orders and Order Instructions, and Rule 2705, Prohibition Against Trading Ahead of Customer Orders.

In 2024, the Commission amended Regulation NMS under the Act to update the rule that requires disclosures for order executions in national market system (“NMS”) stocks.<sup>15</sup> As part of that initiative, the Commission adopted new definitions in Rule 600(b) of Regulation NMS and renumbered the remaining definitions, including the definitions of Trading Center (formerly Rule 600(b)(95)), Regular Trading Hours (formerly Rule 600(b)(77)), NMS Stock (formerly Rule 600(b)(55)), and Intermarket Sweep Orders (formerly Rule 600(b)(38)).

The Exchange accordingly proposes to update the relevant citations to Rule 600(b) in its rules as follows:

- The citation to the definition of Trading Center in Rule 100 would be changed to Rule 600(b)(106).
- The citation to the definition of Regular Trading Hours in Rule 530, Limit Up-Limit Down, would be changed to Rule 600(b)(88).
- The citation to the definition of NMS Stock in Rule 2612 would be changed to Rule 600(b)(65).
- The citation to the definition of Intermarket Sweep Orders in Rule 2614 would be changed to Rule 600(b)(47).

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<sup>15</sup> See Securities Exchange Act Release No. 99679, 89 FR 26428 (April 15, 2024) (S7-29-22).

- The citation to the second requirement of the definition of Intermarket Sweep Order would be changed to Rule 600(b)(47)(ii).

## 2. Statutory Basis

The Exchange believes that the proposed changes are consistent with Section 6(b) of the Act<sup>16</sup> in general, and further the objectives of Section 6(b)(1) of the Act<sup>17</sup> in particular, in that they are designed to enforce compliance by the Exchange's Members and persons associated with its Members and Equity Members, with the provisions of the rules of the Exchange.

In particular, the Exchange believes that the proposed changes are designed to enforce compliance by the Exchange's Members and Equity Members with the provisions of the rules of the Exchange because the changes will provide greater clarity to Members, Equity Members and the public regarding the Exchange's Rulebook by deleting the outdated rule text in Chapter III that is no longer applicable, amending the announcement method for certain types of openings on the Exchange, deleting outdated references to mini-options that are no longer offered by the Exchange, and updating the citations to Rule 600(b) of Regulation NMS.

The proposed change to delete the second paragraph of Chapter III of the Rulebook is to delete the outdated rule text since the unique circumstances for disaster recovery testing in 2020 no longer exists for Equity Members of MIAX Pearl Equities. The proposed changes to amend the announcement method for certain types of openings on the Exchange are to harmonize the rules and provide consistency within the Exchange's Rulebook as the Exchange, and its affiliates, historically announce such information through a Regulatory Circular. The proposed changes to remove outdated references to mini-options will help enforce compliance with the Exchange's rules by removing obsolete rule text. Mini-options were delisted from the Exchange

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<sup>16</sup> 15 U.S.C. 78f(b).

<sup>17</sup> 15 U.S.C. 78f(b)(1).



years ago since mini-options failed to gain significant market acceptance and never achieved the expected level of traction or success in its target market.

The proposed changes to update the citations to Rule 600(b) of Regulation NMS are to correct inaccurate rule citations, thereby reducing potential confusion and ensuring that those subject to the Exchange's jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange's rules. The Exchange believes that the proposed changes will help enforce compliance with the Exchange's rules by providing clarity and consistency within the Exchange's Rulebook, thereby making it easier for Members and Equity Members to interpret the Exchange's Rulebook. The Exchange believes that Members and Equity Members would benefit from the increased clarity and consistency, thereby alleviating potential investor or market participant confusion.

The Exchange believes that the proposed rule changes also further the objectives of Section 6(b)(5) of the Act. In particular, they are designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, 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 and Equity Members and the public regarding the Exchange's Rulebook by deleting the outdated rule text in Chapter III of the Rulebook that is no longer applicable to Equity Members, amending the announcement method for certain types of openings on the Exchange to

provide consistency within the Rulebook, deleting outdated references to mini-options that are no longer offered by the Exchange, and updating citations to Rule 600(b) of Regulation NMS. It is in the public interest for the Exchange's Rulebook to be accurate and consistent 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 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<sup>18</sup> and because the rules of the Exchange apply to all Members and Equity Members equally.

The proposed change to delete the second paragraph of Chapter III of the Rulebook is to delete the outdated rule text applicable to Equity Members since the unique circumstances for disaster recovery testing in 2020 no longer exists. The proposed changes to amend the announcement method for certain types of openings on the Exchange are to harmonize the rules and provide consistency within the Exchange's Rulebook as the Exchange, and its affiliates, historically announce such information through a Regulatory Circular. The proposed changes to remove obsolete rule text include the removal of outdated references to mini-options. Mini-options are no longer offered by the Exchange since mini-options failed to gain significant market acceptance and have not achieved the expected level of traction or success in its target market. The proposed changes to update the citations to Rule 600(b) of Regulation NMS are to correct inaccurate rule citations, reduce potential confusion, and ensure that market participants can more easily navigate and understand the Exchange's rules. The proposed rule changes will

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<sup>18</sup> The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

have no impact on competition as they are not designed to address any competitive issue but rather are designed to remedy minor, non-substantive issues and provide added clarity to the Exchange's Rulebook.

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 but rather would provide additional clarity in the Exchange's rule by deleting the outdated rule text in Chapter III of the Rulebook that is no longer applicable, amending the announcement method for certain types of openings on the Exchange, deleting outdated references to mini-options that are no longer offered by the Exchange, and updating citations to Rule 600(b) of Regulation NMS. Since the proposal does not substantively modify System functionality or processes on the Exchange, the proposed changes will not impose any burden on competition nor are they meant to affect competition among the exchanges.

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

Pursuant to Section 19(b)(3)(A) of the Act<sup>19</sup> and Rule 19b-4(f)(6)<sup>20</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.

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<sup>19</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>20</sup> 17 CFR 240.19b-4(f)(6).

The Exchange believes that the proposed changes do not significantly affect the protection of investors or the public interest but rather promote the protection of investors and the public interest by deleting the outdated rule text in Chapter III of the Rulebook that is no longer applicable to Equity Members, amending the announcement method for certain types of openings on the Exchange to provide consistency within the Exchange's Rulebook, deleting outdated references to mini-options that are no longer offered by the Exchange, and correcting incorrect citations, and thereby improving the accuracy and consistency of the Exchange's rules which reduces the likelihood of confusion. Additionally, the Exchange does not believe that its proposal imposes a significant burden on competition as the Exchange's proposal is non-substantive in nature and is not designed to address any competitive issues but rather is intended to clarify the Exchange's rules.

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>21</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)<sup>22</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest.

The Exchange respectfully requests that the Commission waive the requirement that the proposed rules changes, by its terms, not become operative for 30 days after the date of the filing as set forth in Rule 19b-4(f)(6)(iii),<sup>23</sup> so that the proposed rules changes may become operative

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<sup>21</sup> Id.

<sup>22</sup> 17 CFR 240.19b-4(f)(6).

<sup>23</sup> 17 CFR 240.19b-4(f)(6)(iii).

immediately. The Exchange believes that the proposed changes will not adversely impact investors and will permit the Exchange to delete the outdated rule text in Chapter III of the Rulebook that is no longer applicable, amend the announcement method for certain types of openings on the Exchange, delete outdated references to mini-options that are no longer offered by the Exchange, and correcting incorrect citations in order to alleviate potential investor or public confusion and to add clarity to its rules. The proposed change to delete the second paragraph of Chapter III of the Rulebook is to delete the outdated rule text, since the unique circumstances for disaster recovery testing in 2020 no longer exists. The proposed changes to amend the announcement method for certain types of openings on the Exchange are to harmonize the rules and provide accuracy and consistency within the Exchange's Rulebook as the Exchange, and its affiliates, historically announce such information through a Regulatory Circular. The proposed changes to remove references to mini-options are to remove obsolete rule text. Mini-options are no longer offered by the Exchange since mini-options failed to gain significant market acceptance and have not achieved the expected level of traction or success in its target market.<sup>24</sup> The proposed changes to update the citations to Rule 600(b) of Regulation NMS are to correct inaccurate rule citations, reduce potential confusion, and ensure that those subject to the Exchange's jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange's rules. Because the proposed rules changes do not raise any new or novel regulatory issues, the Exchange believes that waiver of the operative delay would be consistent with the protection of investors and the public interest. Additionally, waiver of the operative delay is consistent with the protection of investors and the public interest because the proposal promotes the protection of investors or the public interest because it deletes

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<sup>24</sup> The Exchange notes that other exchanges filed similar proposals to delete references to mini-options. See supra note 14.

the obsolete language in the Rulebook, corrects inaccurate rule citations, and changes the announcement method for certain types of openings on the Exchange to make it consistent with the Exchange's historical announcement method, thereby alleviating potential investor or market participant confusion.

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.

#### 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 e-mail [to rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-PEARL-2024-55 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-2024-55. 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-2024-55 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.<sup>25</sup>

Sherry R. Haywood,  
Assistant Secretary

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<sup>25</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

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

**MIAX Pearl Options Exchange Rules**

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**Rule 100. Definitions**

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**Trading Center**

The term “Trading Center” shall have the same meaning as in Rule [600(b)(95)](600(b)(106)) of Regulation NMS.

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**Chapter III. Business Conduct**

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[For calendar year 2020, notwithstanding paragraph (b) and Interpretations and Policies .01 of MIAX Rule 321, the Exchange will instead designate at least three Equity Members on MIAX Pearl Equities who have a meaningful percentage of trading volume in NMS Stocks across the other equity exchanges. The Exchange will designate firms that have already established connections to the Exchange’s backup systems. The Exchange will notify Members designated under this provision no later than September 30, 2020.]

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

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**Interpretations and Policies:**

.01 — .07 No change.

.08 Reserved. [**Mini Option Contracts**.]

(a) After an option class on a stock, exchange-traded fund (ETF) share, Trust Issued Receipt (TIR), and other Equity Index-Linked Security with a 100 share deliverable has been approved for listing and trading on the Exchange, series of option contracts with a 10 share deliverable on that stock,



ETF share, TIR, and other Equity Index-Linked Security may be listed for all expirations opened for trading on the Exchange. Mini-option contracts may currently be listed on SPDR S&P 500 (SPY), Apple, Inc. (AAPL), SPDR Gold Trust (GLD), Alphabet, Inc. (GOOGL) and Amazon.com Inc. (AMZN).

(b) Strike prices for mini-options shall be set at the same level as for standard options. For example, a call series strike price to deliver 10 shares of stock at \$125 per share has a total deliverable value of \$1250, and the strike price will be set at 125.

(c) No additional series of mini-options may be added if the underlying security is trading at \$90 or less. The underlying security must trade above \$90 for five consecutive days prior to listing mini-option contracts in an additional expiration month.

(d) The minimum price variation for bids and offers for mini-options shall be the same as permitted for standard options on the same security. For example, if a security participates in the Penny Interval Program, mini-options on the same underlying security may be quoted in the same minimum increments, e.g., \$0.01 for all quotations in series that are quoted at less than \$3 per contract and \$0.05 for all quotations in series that are quoted at \$3 per contract or greater, \$0.01 for all SPY option series, and mini-options do not separately need to qualify for the Penny Interval Program.]

.09 — .13 No change.

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### Rule 503. Openings on the Exchange

(a) **Definitions.** For the purposes of this Rule the term:

(1) — (2) No change.

(3) “**Market for the Underlying Security**” shall mean either the primary listing market, the primary volume market (defined as the market with the most liquidity in that underlying security for the previous two calendar months), or the first market to open the underlying security, as determined by the Exchange on a class by class basis and announced to Members [on the Exchange’s website]through a Regulatory Circular.

(4) “**Valid Width National Best Bid or Offer**” or “**Valid Width NBBO**” shall mean the combination of all away market quotes and any combination of MIA X Pearl Market Maker orders and quotes received from a minimum number of away markets and a minimum number of MIA X Pearl Market Makers within a specified bid/ask differential each as established and [published by the Exchange on its website]announced to Members through a Regulatory Circular. The Valid Width NBBO will be configurable by the underlying, and tables with valid width differentials will be [posted by MIA X Pearl on its website]announced to Members through a Regulatory Circular. Away markets that are crossed will void all Valid Width NBBO calculations. If any Market Maker orders or quotes on MIA X Pearl are crossed internally, then all such orders and quotes will be

excluded from the Valid Width NBBO calculation. If any Market Maker orders or quotes on MIAX Pearl are locking or crossing the ABBO, the Market Maker's orders or quotes will be considered to be at the locked or crossed ABBO price for purposes of calculating the Valid Width NBBO.

(5) No change.

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### **Rule 509. Meaning of Premium Bids and Offers**

(a) — (b) No change.

(c) Reserved. [**Mini-options**. Bids and offers for an option contract overlying 10 shares shall be expressed in terms of dollars per 1/10th part of the total value of the contract. An offer of “.50” shall represent an offer of \$5.00 for an option contract having a unit of trading consisting of 10 shares.]

### **Rule 510. Minimum Price Variations and Minimum Trading Increments**

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

.01 No change.

.02 Reserved. [The minimum price variation for bids and offers for mini-options shall be determined in accordance with Interpretation and Policy .08(d) to Rule 404.]

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### **Rule 530. Limit Up-Limit Down**

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(a) **Definitions**. The capitalized terms in this Rule 530(a) and throughout the MIAX Pearl Rules shall have the same meaning as provided for in the Plan.

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“**Regular Trading Hours**” shall have the meaning provided in Rule [600(b)(77)]600(b)(88) of Regulation NMS under the Exchange Act. For purposes of the Plan, Regular Trading Hours can end earlier than 4:00 p.m. Eastern Time in the case of an early scheduled close.

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(b) — (j) No change.

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**Rule 2612. Minimum Price Variations**

(a) Bids, offers, orders or indications of interests in securities traded on the Exchange shall not be made in an increment smaller than:

(1) No change.

(2) \$0.0001 if those bids, offers or indications of interests are priced less than \$1.00 per share and the security is an NMS stock pursuant to Rule [600(b)(55)]600(b)(65) of Regulation NMS and is trading on the Exchange; or

(3) No change.

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**Rule 2614. Orders and Order Instructions**

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(a) — (c) No change.

(d) **Intermarket Sweep Orders.** The System will accept incoming Intermarket Sweep Orders (“ISO”) (as such term is defined in Rule [600(b)(38)]600(b)(47) of Regulation NMS). To be eligible for treatment as an ISO, the order must be: (A) a Limit Order under paragraph (a)(1) of this Exchange Rule 2614; (B) marked “ISO”; and (C) the User entering the order must simultaneously route one or more additional Limit Orders marked “ISO,” as necessary, to away Trading Centers to execute against the full displayed size of any Protected Quotation for the security as set forth below. Such orders, if they meet the requirements of the foregoing sentence, may be immediately executed at one or multiple price levels in the System without regard to Protected Quotations at away Trading Centers consistent with Regulation NMS (i.e., may trade through such quotations and will not be rejected or cancelled if it would lock, cross, or be marketable against an away Trading Center). ISOs are not eligible for routing pursuant to Exchange Rule 2617(b).

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(e) — (g) No change.

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**Rule 2705. Prohibition Against Trading Ahead of Customer Orders**

(a) — (e) No change.

(f) **ISO Exception.** An Equity Member shall be exempt from the obligation to execute a customer order in a manner consistent with this Exchange Rule with regard to trading for its own account that is the result of an ISO routed in compliance with Rule [600(b)(38)(ii)]600(b)(47)(ii) of Regulation NMS where the customer order is received after the Equity Member routed the ISO. Where an Equity Member routes an ISO to facilitate a customer order and that customer has consented to not receiving the better prices obtained by the ISO, the Member also shall be exempt with respect to any trading for its own account that is the result of the ISO with respect to the consenting customer's order.

(g) — (j) No change.

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