

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-101977; File No. SR-PEARL-2024-58)

December 19, 2024

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Make Certain Clarifying Changes Related to New Time-In-Force Instructions on MIAX Pearl Equities

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”),² and Rule 19b-4 thereunder,³ notice is hereby given that on December 10, 2024, MIAX PEARL, LLC (“MIAX Pearl” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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 proposes to make clarifying changes related to new Time-In-Force (“TIF”) instructions that were adopted as part of a recent proposal to expand the trading hours of its equity trading platform (referred to herein as “MIAX Pearl Equities”).

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

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to make clarifying changes related to new TIF instructions that were adopted as part of a recent proposal to expand the trading hours of MIAX Pearl Equities. The Exchange recently submitted a proposed rule change to expand its hours of operations by adopting both an Early and Late Trading Session.⁴ Pursuant to that proposal,⁵ the Early Trading Session would operate from 4:00 a.m. until 9:30 a.m. Eastern Time. Then the existing Regular Trading Hours⁶ would follow, which currently operates from 9:30 a.m. until 4:00 p.m. Eastern Time. Within Regular Trading Hours, the Exchange also operates the existing Regular Trading Session,⁷ which operates from the completion of the Exchange’s Opening Process described in Exchange Rule 2615 until 4:00 p.m. Eastern Time. The Late Trading Session would follow and operate from 4:00 p.m. until 8:00 p.m. Eastern Time.

The Exchange currently offers two TIF instructions, Immediate-Or-Cancel (“IOC”) and Regular Hours Only (“RHO”), the operation of each are described under Exchange Rule 2614(b)(1) and (2), respectively. In its proposal to add the Early and Late Trading Sessions,

⁴ See Securities Exchange Act Release No. 101358 (October 16, 2024), 89 FR 84406 (October 22, 2024) (SR-PEARL-2024-47) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt Both an Early and Late Trading Session on its Equity Trading Platform).

⁵ Id.

⁶ See Exchange Rule 1901.

⁷ Id.

among other things, the Exchange amended its rules to adopt the following four additional TIF instructions: Day, Fill-Or-Kill (“FOK”), Good-‘til Time (“GTT”), and Good-‘til Extended Day (“GTX”). In sum, the Day TIF is an instruction that may be attached to an order stating that an order to buy or sell which, if not executed, expires at the end of Regular Trading Hours. The FOK TIF is an instruction that may be attached to an order stating that the order is to be executed in its entirety as soon as it is received and, if not so executed, cancelled. The GTT TIF is an instruction that may be attached to an order specifying the time of day at which the order expires. Lastly, the GTX TIF is an instruction that may be attached to an order to buy or sell which, if not executed, will be cancelled by the close of the Late Trading Session.

Like RHO, the TIF instructions of Day, GTT, and GTX all allow Equity Members⁸ to instruct the Exchange to post their order to the MIAX Pearl Equities Book if not executed upon entry. Also, like IOC, the TIF instruction of FOK provides that an order be executed upon entry and not posted to the MIAX Pearl Equities Book. Therefore, as part of its proposal to add the Early and Late Trading Session, the Exchange amended provisions within its rules to account for the TIF instructions where appropriate, such as adding the TIF instructions of Day, GTT, and GTX following references to RHO, or FOK following references to IOC.⁹

The Exchange now proposes to make other clarifying changes to its rules to account for the new TIF instructions that it inadvertently did not include in its earlier proposed rule change. As described below, each of these changes would ensure the Exchange’s rules provide for the consistent treatment of like TIF instructions, provide additional clarity, and are consistent with the rules of other national securities exchanges. The Exchange does not propose to make any

⁸ The term “Equity Member” is a Member authorized by the Exchange to transact business on MIAX Pearl Equities. See Exchange Rule 1901.

⁹ See supra note 3.

other changes to its rules or to amend functionality. Each of these changes are as follows:

- Exchange Rule 2614(a)(1)(ii) currently provides that a Limit Order may include a TIF of IOC or RHO. In the filing to adopt the Early and Late Trading Sessions and additional TIF instructions, Exchange Rule 2614(a)(1)(ii) was amended to also provide that a Limit Order may include a TIF of FOK, Day, GTT, or GTX.¹⁰ The Exchange now proposes to amend Exchange Rule 2614(a)(1)(vi) to account for the new additional TIF instructions by providing that “[d]uring a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(i), the System will immediately cancel any portion of an incoming Limit Order designated as ISO and short that includes a time-in-force instruction RHO, Day, GTT, or GTX that cannot be executed or displayed at its limit price at the time of entry pursuant to Rule 201 of Regulation SHO.”
- In sum, Exchange Rule 2614(c)(7) provides that Minimum Execution Quantity (“MEQ”) is an order instruction that may be attached to a non-displayed order requiring the System to execute the order only to the extent that a minimum quantity can be satisfied. Exchange Rule 2614(c)(7)(B) describes the operation of orders with an MEQ instruction when resting on the MIAX Pearl Equities Book. The Exchange now proposes to amend Exchange Rule 2614(c)(7)(ii) to account for the new additional TIF instructions and provide that “[w]here there is insufficient size to satisfy an incoming order’s minimum quantity condition, that incoming order with a Minimum Execution Quantity instruction with a time-in-force of RHO, Day, GTT, or GTX will not trade and will be posted on the MIAX

¹⁰ Id.

Pearl Equities Book.”

- Exchange Rule 2614(e) provides for the cancelation and replacement of an existing order. The Exchange now proposes to amend Exchange Rule 2614(e)(1) to include the new additional TIF instruction of FOK and provide that “[o]rders may only be cancelled or replaced if the order has a time-in-force term other than IOC or FOK and if the order has not yet been executed.”
- Exchange Rule 2615(e) describes how the Exchange re-opens a security following a halt and provides, in sum, that the re-opening process would operate in the same manners as the Exchange’s Opening Process set forth under Exchange Rule 2615(a) – (c), with certain exceptions. One exception is provided for under Exchange Rule 2615(e)(1) which states that orders with a TIF instruction of IOC would be cancelled or rejected, as applicable. The Exchange proposes to amend Exchange Rule 2615(e)(1) to include the TIF instruction of FOK and provide that “ISOs and orders that include a time-in-force of IOC or FOK be cancelled or rejected, as applicable.”
- Exchange Rule 2622 discusses the Exchange’s mechanisms to comply with the Limit Up-Limit Down Plan.
 - First, Exchange Rule 2622(h)(2)(i)5.a. provides that Market Orders and orders designated IOC will only be executed at or within the Price Bands. This provision would be amended to also provide that orders designated as FOK will only be executed at or within the Price Bands.
 - Second, Exchange Rule 2622(h)(3)(B) provides that during any Operational Halt, the System will accept all orders, except orders

designated as ISO and orders that include a TIF instruction of IOC, for queuing and participation in the Re-Opening Process pursuant to Rule 2615(e). This provision would be amended to also provide that orders that include a TIF instruction of FOK will not be accepted for queuing and participation in the Re-Opening Process pursuant to Rule 2615(e).

Implementation

Due to the technological changes associated with this proposed change, the Exchange will issue a trading alert publicly announcing the implementation date of the proposed enhancements to its risk controls set forth herein. The Exchange anticipates that the implementation date will be in the first or second quarter of 2025.¹¹

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,¹² in general, and furthers the objectives of Section 6(b)(5),¹³ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in 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. Specifically, the Exchange believes the proposed amendments will remove impediments to and perfect the mechanism of a

¹¹ See, e.g., MIAX Pearl Equities – Roll Out of Extended Hours Trading & Update to Mandatory FOI and MEO Upgrade Deadline, dated November 13, 2024, [available at https://www.miaxglobal.com/alert/2024/11/13/miax-pearl-equities-roll-out-extended-hours-trading-update-mandatory-foi](https://www.miaxglobal.com/alert/2024/11/13/miax-pearl-equities-roll-out-extended-hours-trading-update-mandatory-foi).

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

free and open market and a national market system because they would provide for the consistent treatment of like TIF instructions and are consistent with the rules of other national securities exchanges.¹⁴ The proposed rule change is also consistent with changes the Exchange proposed in its earlier filing to adopt the Early and Late Trading Sessions where it amended certain Exchange Rules to account for the additional TIF instructions.¹⁵ The Exchange does not propose any new changes to functionality, but rather to provide additional clarity within the rule text, make the Exchange's rules easier to understand, and accurately reflect Exchange functionality. The proposed rule changes would, therefore, help prevent any potential investor confusion and thus protect investors and the public interest, as well as remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange also believes that the proposed rule change is non-discriminatory as it would apply to all Equity Members uniformly and all Equity Members would be treated equally.

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. The Exchange believes its proposal will not impose any burden on inter-market competition because the proposal simply seeks to provide for the consistent treatment of like TIF instructions, provide market participants additional clarity within the Exchange's Rules, and

¹⁴ See, e.g., NYSE Arca, Inc. ("NYSE Arca") Rule 7.31(i)(3)(C); and Cboe EDGA Exchange, Inc. ("Cboe EDGA") and Cboe EDGX Exchange, Inc. ("Cboe EDGX") Rules 11.8(c)(6). Like NYSE Arca, Exchange Rule Exchange Rule 2614(c)(7)(ii) lists all TIF instructions that if offers that allow for an order to be posted to the order book. While Cboe EDGA and Cboe EDGX offer the same TIF instructions that are listed in this proposal, Exchange Rule Exchange Rule 2614(a)(1)(vi) lists the TIF instruction while the Cboe EDGA and Cboe EDGX Rules lack this additional specificity.

¹⁵ See supra note 3.

provide consistency with the rules of other national securities exchanges.¹⁶ The proposal is not designed to enhance the Exchange's competitive standing, but rather ensure its rules accurately reflect functionality. The proposal also does not seek to amend any functionality proposed in the Exchange's previous proposal to adopt the Early and Late Trading Sessions.¹⁷ The Exchange believes its proposal will not impose any burden on intra-market competition because all orders coupled with the above listed TIF instructions would be treated equally under the proposed amendments.

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change does not:

(i) significantly affect the protection of investors or the public interest;

(ii) impose any significant burden on competition; and

(iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.¹⁸

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

¹⁶ See supra note 13.

¹⁷ See supra note 3.

¹⁸ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-PEARL-2024-58 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-2024-58. 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-2024-58 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.¹⁹

Vanessa A. Countryman,
Secretary.

¹⁹ 17 CFR 200.30-3(a)(12), (59).