Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2024 - * 46
Amendment No. (req. for Amendments *)

Filing by MIAX PEARL, LLC

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

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
✓	☐	☐	☐	✓	☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
✓ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☐ 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 *).

Amend the Exchange's Fee Schedule to Reduce the Fee for Transactions that Remove Liquidity in Securities Priced Below $1.00

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 * Greg
Last Name * Ziegler
Title * Senior Counsel
E-mail * gziegler@miaxglobal.com
Telephone * (609) 897-1483
Fax

Signature

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

Date 09/30/2024

By Gregory P. Ziegler
(Name *)

(Title *)
Senior Counsel

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

Gregory Ziegler
Date: 2024.09.30 14:53:01 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add Remove View SR-PEARL-2024-46 - 19b4.docx	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View SR-PEARL-2024-46 - 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 * Add Remove View	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 Add Remove View	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 Add Remove View	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 Add Remove View	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 Add Remove View SR-PEARL-2024-46 - Exhibit 5.docx	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) MIAX PEARL, LLC ("MIAX Pearl" or "Exchange"), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] proposes to amend the fee schedule (the "Fee Schedule") applicable to MIAX Pearl Equities, an equities trading facility of the Exchange.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and a copy of the applicable section of the Fee Schedule is attached hereto as Exhibit 5.

(b) Inapplicable.

(c) Inapplicable.

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 Exchange 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 changes may be directed to Greg Ziegler, Vice President and Senior Counsel, at (609) 897-1483.

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

2 17 CFR 240.19b-4.

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

a. Purpose

The Exchange proposes to amend the Fee Schedule to decrease the fee for executions of orders that remove liquidity from the Exchange in securities priced below \$1.00 per share from 0.25% to 0.20% of the total dollar value of the transaction.[3]

Proposal to decrease the Fee for Removing Liquidity in Securities Priced Below \$1.00 Per Share

Currently, the Exchange assesses a fee of 0.25% of the total dollar value of any transaction in securities priced below \$1.00 per share that removes liquidity from the Exchange across all Tapes.[4] The Exchange now proposes to decrease the fee from 0.25% to 0.20% of the total dollar value of any transaction in securities priced below \$1.00 per share that removes liquidity from the Exchange across all Tapes. The purpose of the proposed change is for business and competitive reasons.

Specifically, the Exchange proposes to amend Section 1) a) Standard Rates Table of the Fee Schedule to change the value in the table for Removing Liquidity in Securities below \$1.00 from 0.25% to 0.20%. Additionally, the Exchange proposes to amend the Section 1) b) Liquidity Indicator Codes and Associated Fees, to reflect the proposed change to the Standard Rates Table.

The Exchange provides a table in section 1) b), Liquidity Indicator Codes and Associated Fees, that provides a list of fees and rebates so that Equity Members[5] may better understand the

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3 The Exchange notes that it recently reduced the fee for removing liquidity in securities priced at or above \$1.00. See Securities Exchange Act Release No. 101100 (September 19, 2024), 89 FR 78359 (September 25, 2024) (SR-PEARL-2024-41).

4 See Fee Schedule, Section 1) a). See also Fee Schedule, Section 1) b), Liquidity Indicator Codes RA, RB, RC, RR, RT, Ra, Rb, Rc, Rp, Rr and Rt.

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

fee or rebate that is applied to each execution. The liquidity indicator code for each execution is returned on the real-time trade report sent to the Equity Member that submitted the order.

The Exchange now proposes to amend the column titled "Fee/(Rebate) Securities Priced Below $1.00" in Section 1) b) of the Fee Schedule to reflect the proposed decrease to the standard fee assessed for Removing Liquidity (Displayed Orders and Non-Displayed Orders) in securities priced below $1.00 per share from 0.25% to 0.20% for the following liquidity indicator codes: "RA," "RB," "RC," "RR," "RT," "Ra," "Rb," "Rc," "Rp," "Rr," and "Rt."

The Exchange believes it is appropriate to decrease the fee from 0.25% to 0.20% of the total dollar value of any transaction in securities priced below $1.00 per share that removes liquidity from the Exchange across all Tapes to further encourage market participants to enter liquidity removing orders on the Exchange, thereby increasing the execution opportunities for the liquidity adding orders resting on the MIAX Pearl Equities Book.[6]

Implementation

The Exchange proposes to implement the changes to the Fee Schedule pursuant to this proposal on October 1, 2024.

b. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act[7] in general, and furthers the objectives of Section 6(b)(4) of the Act[8] in particular, in that it is an equitable allocation of reasonable fees and other charges among its Equity Members and issuers and other persons using its facilities. The Exchange also believes

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6 The term "MIAX Pearl Equities Book" shall mean the electronic book of orders in equity securities maintained by the System. See Exchange Rule 1901.

7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(4).

that the proposed rule change is consistent with the objectives of Section 6(b)(5)[9] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, and to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest, and, particularly, is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange operates in a highly fragmented and competitive market in which market participants can readily direct their order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of many venues, including 16 registered equities exchanges as well as a number of alternative trading systems and other off-exchange venues, to which market participants may direct their order flow. Based on publicly available information, no single registered equities exchange currently has more than approximately 15-16% of the total market share of executed volume of equities trading.[10] Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow, and the Exchange currently represents less than 2% of the overall market share.[11] The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In

9 15 U.S.C 78f(b)(5).

10 Market share percentage calculated as of August 25, 2024. The Exchange receives and processes data made available through consolidated data feeds.

11 Id.

Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and also recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[12]

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

Proposal to decrease the Fee for Removing Liquidity in Securities Priced Below $1.00 Per Share

The Exchange believes that the proposed change to decrease the standard fee for executions of all orders in securities priced below $1.00 per share that remove liquidity from the Exchange is reasonable, equitable, and consistent with the Act as the proposed fee remains lower than, or similar to, the standard fee to remove liquidity in securities priced below $1.00 per share charged by competing equities exchanges.[13] The Exchange further believes that the proposal to

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12 Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37499 (June 29, 2005).

13 See Cboe EDGX Equities Fee Schedule, Standard Rates, available at https://www.cboe.com/us/equities/membership/fee_schedule/edgx/ (charging a standard fee of 0.30% of the dollar value to remove liquidity in securities priced below $1.00 per share); see also MEMX Fee Schedule,

decrease the standard fee for executions of all orders in securities priced below \$1.00 per share that remove liquidity from the Exchange is equitably allocated and not unfairly discriminatory because it will apply equally to all Equity Members that remove liquidity from the Exchange.

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

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. The Exchange believes the proposed changes will continue to encourage Equity Members to maintain or increase their order flow to the Exchange, thereby contributing to a deeper and more liquid market to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue. As a result, the Exchange believes the proposal will enhance its competitiveness as a market that attracts actionable orders, thereby making it a more desirable destination venue for its customers. For these reasons, the Exchange believes that the proposal

Transaction Fees (charging a standard fee of 0.28% of the total dollar value to remove liquidity in securities priced below \$1.00 per share); and NYSE American Equities Price List, Section I.A.2., available at https://www.nyse.com/publicdocs/nyse/markets/nyse-american/NYSE_America_Equities_Price_List.pdf (charging a standard fee of 0.25% of the total dollar value of the transaction to remove liquidity in securities priced below \$1.00 per share).

furthers the Commission's goal in adopting Regulation NMS of fostering competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."[14]

Intra-market Competition

The Exchange believes that the proposed changes will continue to incentivize market participants to direct order flow to the Exchange, thereby contributing to a deeper and more liquid market to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue, which the Exchange believes, in turn, will continue to encourage market participants to direct additional order flow to the Exchange. Greater liquidity benefits all Equity Members by providing more trading opportunities and encourages Equity Members to send orders to the Exchange, thereby contributing to robust levels of liquidity, which benefits all Equity Members.

Similarly, the proposed decrease to the standard fee for executions of orders that remove volume from the Exchange will continue to apply equally to all Equity Members. As such, the Exchange believes the proposed changes would not impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intermarket Competition

The Exchange believes its proposal will benefit competition as the Exchange operates in a highly competitive market. Equity Members have numerous alternative venues they may participate on and direct their order flow to, including fifteen other equities exchanges and numerous alternative trading systems and other off-exchange venues. As noted above, no single

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14 See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 47396 (June 29, 2005).

registered equities exchange currently has more than 15-16% of the total market share of executed volume of equities trading.[15] Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. Moreover, the Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow in response to new or different pricing structures being introduced to the market. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates generally, including with respect to executions of orders that remove volume from the Exchange, and market participants can readily choose to send their orders to other exchanges and off-exchange venues if they deem fee levels at those other venues to be more favorable.

As described above, the proposed changes are competitive proposals through which the Exchange is seeking to encourage additional order flow to the Exchange. Such proposed changes to (i) decrease the Removing Liquidity fee is comparable to, and competitive with, rates charged by other exchanges.[16] The proposed change to update the Liquidity Indicator Codes and Associated Fees table is in conjunction with the Exchange's above mentioned proposed change to the standard fee for Removing Liquidity from the Exchange.

Additionally, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market

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15 See supra note 10.

16 See supra note 13.

competition in its broader forms that are most important to investors and listed companies."[17] The fact that this market is competitive has also long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. circuit stated: "[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers' . . . ."[18] Accordingly, the Exchange does not believe its proposed pricing changes impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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)(ii) of the Act,[19] and Rule 19b-4(f)(2) thereunder[20] the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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17 See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

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

19 15 U.S.C. 78s(b)(3)(A)(ii).

20 17 CFR 240.19b-4.

8. <u>Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission</u>

Not applicable.

9. <u>Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act</u>

Not applicable.

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

Not applicable.

11. <u>Exhibits</u>

1. Completed notice of proposed rule change for publication in the Federal Register.

5. Copy of the applicable section of the Fee Schedule.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-PEARL-2024-46)

September____, 2024

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

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on September 30, 2024, MIAX PEARL, LLC ("MIAX Pearl" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing a proposal to amend the fee schedule (the "Fee Schedule") applicable to MIAX Pearl Equities, an equities trading facility of the Exchange.

The text of the proposed rule change is available on the Exchange's website at https://www.miaxglobal.com/markets/us-equities/pearl-equities/rule-filings, at MIAX Pearl's principal office, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on

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

2 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

The Exchange proposes to amend the Fee Schedule to decrease the fee for executions of orders that remove liquidity from the Exchange in securities priced below $1.00 per share from 0.25% to 0.20% of the total dollar value of the transaction.[3]

Proposal to decrease the Fee for Removing Liquidity in Securities Priced Below $1.00 Per Share

Currently, the Exchange assesses a fee of 0.25% of the total dollar value of any transaction in securities priced below $1.00 per share that removes liquidity from the Exchange across all Tapes.[4] The Exchange now proposes to decrease the fee from 0.25% to 0.20% of the total dollar value of any transaction in securities priced below $1.00 per share that removes liquidity from the Exchange across all Tapes. The purpose of the proposed change is for business and competitive reasons.

Specifically, the Exchange proposes to amend Section 1) a) Standard Rates Table of the Fee Schedule to change the value in the table for Removing Liquidity in Securities below $1.00 from 0.25% to 0.20%. Additionally, the Exchange proposes to amend the Section 1) b) Liquidity Indicator Codes and Associated Fees, to reflect the proposed change to the Standard Rates Table.

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3 The Exchange notes that it recently reduced the fee for removing liquidity in securities priced at or above $1.00. See Securities Exchange Act Release No. 101100 (September 19, 2024), 89 FR 78359 (September 25, 2024) (SR-PEARL-2024-41).

4 See Fee Schedule, Section 1) a). See also Fee Schedule, Section 1) b), Liquidity Indicator Codes RA, RB, RC, RR, RT, Ra, Rb, Rc, Rp, Rr and Rt.

The Exchange provides a table in section 1) b), Liquidity Indicator Codes and Associated Fees, that provides a list of fees and rebates so that Equity Members[5] may better understand the fee or rebate that is applied to each execution. The liquidity indicator code for each execution is returned on the real-time trade report sent to the Equity Member that submitted the order.

The Exchange now proposes to amend the column titled "Fee/(Rebate) Securities Priced Below $1.00" in Section 1) b) of the Fee Schedule to reflect the proposed decrease to the standard fee assessed for Removing Liquidity (Displayed Orders and Non-Displayed Orders) in securities priced below $1.00 per share from 0.25% to 0.20% for the following liquidity indicator codes: "RA," "RB," "RC," "RR," "RT," "Ra," "Rb," "Rc," "Rp," "Rr," and "Rt."

The Exchange believes it is appropriate to decrease the fee from 0.25% to 0.20% of the total dollar value of any transaction in securities priced below $1.00 per share that removes liquidity from the Exchange across all Tapes to further encourage market participants to enter liquidity removing orders on the Exchange, thereby increasing the execution opportunities for the liquidity adding orders resting on the MIAX Pearl Equities Book.[6]

Implementation

The Exchange proposes to implement the changes to the Fee Schedule pursuant to this proposal on October 1, 2024.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act[7] in general, and furthers the objectives of Section 6(b)(4) of the Act[8] in

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

6 The term "MIAX Pearl Equities Book" shall mean the electronic book of orders in equity securities maintained by the System. See Exchange Rule 1901.

7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(4).

particular, in that it is an equitable allocation of reasonable fees and other charges among its Equity Members and issuers and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with the objectives of Section 6(b)(5)[9] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, and to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest, and, particularly, is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange operates in a highly fragmented and competitive market in which market participants can readily direct their order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of many venues, including 16 registered equities exchanges as well as a number of alternative trading systems and other off-exchange venues, to which market participants may direct their order flow. Based on publicly available information, no single registered equities exchange currently has more than approximately 15-16% of the total market share of executed volume of equities trading.[10] Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow, and the Exchange currently represents less than 2% of the overall market share.[11] The Commission and the courts have repeatedly expressed their preference for competition over regulatory

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9 15 U.S.C 78f(b)(5).

10 Market share percentage calculated as of August 25, 2024. The Exchange receives and processes data made available through consolidated data feeds.

11 Id.

intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and also recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[12]

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

Proposal to decrease the Fee for Removing Liquidity in Securities Priced Below $1.00 Per Share

The Exchange believes that the proposed change to decrease the standard fee for executions of all orders in securities priced below $1.00 per share that remove liquidity from the Exchange is reasonable, equitable, and consistent with the Act as the proposed fee remains lower than, or similar to, the standard fee to remove liquidity in securities priced below $1.00 per share charged by competing equities exchanges.[13] The Exchange further believes that the proposal to

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12 Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37499 (June 29, 2005).

13 See Cboe EDGX Equities Fee Schedule, Standard Rates, available at https://www.cboe.com/us/equities/membership/fee_schedule/edgx/ (charging a standard fee of 0.30% of the dollar value to remove liquidity in securities priced below $1.00 per share); see also MEMX Fee Schedule,

decrease the standard fee for executions of all orders in securities priced below $1.00 per share that remove liquidity from the Exchange is equitably allocated and not unfairly discriminatory because it will apply equally to all Equity Members that remove liquidity from the Exchange.

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

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

The Exchange does not believe that the proposed changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed changes will continue to encourage Equity Members to maintain or increase their order flow to the Exchange, thereby contributing to a deeper and more liquid market to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue. As a result, the Exchange believes the proposal will enhance its competitiveness as a market that attracts actionable orders, thereby making it a more desirable destination venue for its customers. For these reasons, the Exchange believes that the proposal furthers the Commission's goal in adopting Regulation NMS of fostering competition among

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Transaction Fees (charging a standard fee of 0.28% of the total dollar value to remove liquidity in securities priced below $1.00 per share); and NYSE American Equities Price List, Section I.A.2., available at https://www.nyse.com/publicdocs/nyse/markets/nyse-american/NYSE_America_Equities_Price_List.pdf (charging a standard fee of 0.25% of the total dollar value of the transaction to remove liquidity in securities priced below $1.00 per share).

orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."[14]

Intra-market Competition

The Exchange believes that the proposed changes will continue to incentivize market participants to direct order flow to the Exchange, thereby contributing to a deeper and more liquid market to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue, which the Exchange believes, in turn, will continue to encourage market participants to direct additional order flow to the Exchange. Greater liquidity benefits all Equity Members by providing more trading opportunities and encourages Equity Members to send orders to the Exchange, thereby contributing to robust levels of liquidity, which benefits all Equity Members.

Similarly, the proposed decrease to the standard fee for executions of orders that remove volume from the Exchange will continue to apply equally to all Equity Members. As such, the Exchange believes the proposed changes would not impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intermarket Competition

The Exchange believes its proposal will benefit competition as the Exchange operates in a highly competitive market. Equity Members have numerous alternative venues they may participate on and direct their order flow to, including fifteen other equities exchanges and numerous alternative trading systems and other off-exchange venues. As noted above, no single registered equities exchange currently has more than 15-16% of the total market share of executed volume of equities trading.[15] Thus, in such a low-concentrated and highly competitive

14 See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 47396 (June 29, 2005).

15 See supra note 10.

market, no single equities exchange possesses significant pricing power in the execution of order flow. Moreover, the Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow in response to new or different pricing structures being introduced to the market. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates generally, including with respect to executions of orders that remove volume from the Exchange, and market participants can readily choose to send their orders to other exchanges and off-exchange venues if they deem fee levels at those other venues to be more favorable.

As described above, the proposed changes are competitive proposals through which the Exchange is seeking to encourage additional order flow to the Exchange. Such proposed changes to (i) decrease the Removing Liquidity fee is comparable to, and competitive with, rates charged by other exchanges.[16] The proposed change to update the Liquidity Indicator Codes and Associated Fees table is in conjunction with the Exchange's above mentioned proposed change to the standard fee for Removing Liquidity from the Exchange.

Additionally, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[17] The fact that this market is competitive has also long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. circuit stated: "[n]o one disputes

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16 See supra note 13.

17 See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers' . . . ."[18] Accordingly, the Exchange does not believe its proposed pricing changes impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments were neither solicited nor received.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,[19] and Rule 19b-4(f)(2) thereunder[20] the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

IV. Solicitation of Comments

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

Electronic comments:

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

19 15 U.S.C. 78s(b)(3)(A)(ii).

20 17 CFR 240.19b-4.

- Use the Commission's Internet comment form (https://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-PEARL-2024-46 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-2024-46. 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-2024-46 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.[21]

Sherry R. Haywood,

Assistant Secretary

[21] 17 CFR 200.30-3(a)(12).

Exhibit 5

New text is <u>underlined</u>;
Deleted text is in [brackets]

MIAX Pearl Equities Exchange Fee Schedule

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1) Transaction Rebates/Fees

a) Standard Rates

Category	Adding Liquidity Displayed Order	Adding Liquidity Non-Displayed Order	Removing Liquidity	Routing and Removing Liquidity	Opening or Re-Opening Process
Securities at or above $1.00	Tapes A, B, and C ($0.0022)	($0.00205)	$0.00285	$0.0030	$0.00
Securities below $1.00	(0.15% of Dollar Value)	(0.15% of Dollar Value)	0.[25]<u>20</u>% of Dollar Value	0.30% of Dollar Value	$0.00
Standard Liquidity Indicator Codes	AA, AB, AC, AR	Aa, Ab, Ac, Ap, Ar	RA, Ra, RB, Rb, RC, Rc, Rp, RR, Rr, RT, Rt	X	O

b) Liquidity Indicator Codes and Associated Fees

Liquidity Indicator Code	Description	Fee/(Rebate) Securities Priced at or Above $1.00	Fee/(Rebate) Securities Priced Below $1.00
AA	Adds Liquidity, Displayed Order (Tape A)	No change	No change
AB	Adds Liquidity, Displayed Order (Tape B)	No change	No change
AC	Adds Liquidity, Displayed Order (Tape C)	No change	No change
AR	Retail Order, Adds Liquidity, Displayed Order (All Tapes)	No change	No change
Aa	Adds Liquidity, Non-Displayed Order (Tape A)	No change	No change
Ab	Adds Liquidity, Non-Displayed Order (Tape B)	No change	No change
Ac	Adds Liquidity, Non-Displayed Order (Tape C)	No change	No change
Ap	Adds Liquidity and Executes at the Midpoint, Non-Displayed Midpoint Peg Order (All Tapes)	No change	No change
Ar	Retail Order, Adds Liquidity, Non-Displayed Order (All Tapes)	No change	No change

Liquidity Indicator Code	Description	Fee/(Rebate) Securities Priced at or Above $1.00	Fee/(Rebate) Securities Priced Below $1.00
O	Opening/Re-Opening Process	No change	No change
RA	Removes Liquidity, Displayed Order (Tape A)	No change	0.2[5]0% of Dollar Value
RB	Removes Liquidity, Displayed Order (Tape B)	No change	0.2[5]0% of Dollar Value
RC	Removes Liquidity, Displayed Order (Tape C)	No change	0.2[5]0% of Dollar Value
RR	Retail Order, Removes Liquidity, Displayed Order (All Tapes)	No change	0.2[5]0% of Dollar Value
RT	Removes Retail Order Liquidity, Displayed Order (All Tapes)	No change	0.2[5]0% of Dollar Value
Ra	Removes Liquidity, Non-Displayed Order (Tape A)	No change	0.2[5]0% of Dollar Value
Rb	Removes Liquidity, Non-Displayed Order (Tape B)	No change	0.2[5]0% of Dollar Value
Rc	Removes Liquidity, Non-Displayed Order (Tape C)	No change	0.2[5]0% of Dollar Value
Rp	Removes Liquidity and Executes at the Midpoint, Non-Displayed Midpoint Peg Order (All Tapes)	No change	0.2[5]0% of Dollar Value
Rr	Retail Order, Removes Liquidity, Non-Displayed Order (All Tapes)	No change	0.2[5]0% of Dollar Value
Rt	Removes Retail Order Liquidity, Non-Displayed Order (All Tapes)	No change	0.2[5]0% of Dollar Value

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