

MIAX Pearl Equities Exchange Regulatory Circular 2024-01

DATE: January 8, 2024
TO: MIAX Pearl Equities Members
FROM: MIAX Regulatory Department
RE: Changes to Certain Risk Controls on MIAX Pearl Equities

Effective February 15, 2024, MIAX Pearl Exchange, Inc. (the “Exchange”) will amend Exchange Rule 2614(a)(1), 2614(f), and 2618(b) to enhance certain risk controls available on the Exchange’s equity trading platform, known as MIAX Pearl Equities.

First, amended Exchange Rule 2614(f) will permit individual firms with Users that access the Exchange through a direct connection and also access the Exchange through Sponsored Access to enable Self-Trade Protection modifiers at the firm level on MIAX Pearl Equities. Currently, Users can set the STP modifier to apply at the market participant identifier (“MPID”), Exchange Member identifier, trading group identifier, or Equity Member Affiliate identifier level. Amended Exchange Rule 2614(f) will enhance the Exchange’s existing STP functionality by introducing a fifth identifier, Multiple Access identifier, which will allow a User to prevent orders entered via its direct connection from interacting with the User’s orders entered via Sponsored Access.

Next, the Exchange will not apply Limit Order Price Protection and the Trading Collar when where the reference price that is to be used may be stale and not relate to current market conditions to avoid the unnecessary cancellation of orders. Accordingly, amended Exchange Rule 2614(a)(1)(ix)(C) will provide that Limit Order Price Protection will not be applied if the prices listed under Exchange Rule 2614(a)(1)(ix)(C)1. And 2. are unavailable or if the Official Closing Price listed under Exchange Rule 2614(a)(1)(ix)(A)3. is to be applied and a regulatory halt has been declared by the primary listing market during that trading day. Similarly, amended Exchange Rule 2618(b)(1) will provide that upon entry, an order priced outside the Trading Collar would not be canceled when a trading halt has been declared by the primary listing market during that trading day and the Exchange would have applied the prior day’s Official Closing Price because the consolidated last sale price is unavailable.

Lastly, the Exchange will expand the times when the Trading Collar will be applied to include Exchange’s Opening and Re-Opening Process. Amended Exchange Rule 2618(b)(1) will no longer exclude orders that are eligible to participate in the Exchange’s Opening Process from the Trading Collar protection. As proposed, the Trading Collar will be applied to orders that are eligible to participate in the Exchange’s Opening and Re-Opening Process.

Complete details regarding the amendment can be found in the Exchange’s rule filings, SR-PEARL-2023-48 and SR-PEARL-2023-58.

Contact MIAX Trading Operations at TradingOperations@miaxglobal.com or (609) 897-7302 with any questions regarding the amendment.

Regulatory inquiries should be directed to Regulatory@miaxglobal.com or (609) 897-7309.