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Page 1 of * 40

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

File No. * SR 2022 - * 14

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"/>
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Rule

<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 *).

Amend Exchange Rules 2600, Hours of Trading and Trading Days, and 2615, Opening Process, to: (i) accept prior to 9:30 a.m. Eastern Time orders in equity securities that include a Post Only instruction and a time-in-force of Regular Hours Only, and orders that include a Minimum Execution Quantity instruction and a time-in-force of RHO; and (ii) accept and retain such orders when trading in a security is halted.

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 * Chris Last Name * Solgan

Title * Vice President, Senior Counsel

E-mail * csolgan@miami-holdings.com

Telephone * (609) 423-9414 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 04/07/2022

(Title *)

By Chris Solgan

Vice President, Senior 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.

Sign

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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SR-PEARL-2022-14 19b-4.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 *

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SR-PEARL-2022-14-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-2022-14 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

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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 the “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 is filing with the Securities and Exchange Commission (the “Commission”) a proposed rule change to amend Exchange Rule 2600, Hours of Trading and Trading Days, and Exchange Rule 2615, Opening Process for Equity Securities.

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 28, 2021. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority.

Questions and comments on the proposed rule change may be directed to Chris Solgan, Vice President and Senior Counsel, at (609) 423-9414.

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

a. Purpose

The Exchange allows for the trading of equity securities on its equity trading platform (referred to herein as “MIAX Pearl Equities”). The purpose of the proposed rule change is

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

to: (i) accept prior to 9:30 a.m. Eastern Time orders in equity securities that include a Post Only³ instruction and a time-in-force of Regular Hours Only (“RHO”),⁴ and orders that include a Minimum Execution Quantity⁵ instruction and a time-in-force of RHO; and (ii) accept and retain such orders when trading in a security is halted. This is similar to functionality on other equity exchanges.⁶ Another purpose of the proposed rule change is to amend Exchange Rule 2615(a)(1) to provide additional specificity concerning the handling

³ In sum, an order with a Post Only instruction is a non-routable order that will be ranked and executed on the MIAX Pearl Equities Book pursuant to Exchange Rules 2616 and 2617(a)(4). See Exchange Rule 2614(c)(2) for a more detailed description of the Post Only instruction. Exchange Rule 1901 defines the term “MIAX Pearl Equities Book” as “the electronic book of orders in equity securities maintained by the System.”

⁴ In sum, an order with a time-in-force of RHO is designated for execution only during Regular Trading Hours, which includes the opening process for equity securities. See Exchange Rule 2614(b)(2) for a more detailed description of the RHO instruction.

⁵ In sum, Minimum Execution Quantity is an instruction a User may attach to a non-displayed order requiring the System to execute the order only to the extent that a minimum quantity can be satisfied. See Exchange Rule 2614(c)(7) for a more detailed description of the Minimum Execution Quantity instruction.

⁶ See, e.g., Cboe BYX Exchange, Inc. (“BYX”) Rules 11.1(a) and 11.23(a)(1), Cboe BZX Exchange, Inc. (“BZX”) Rules 11.1(a) and 11.24(a)(1), Cboe EDGA Exchange, Inc. (“EDGA”) and Cboe EDGX Exchange, Inc. (“EDGX”, collectively with BYX, BZX, and EDGA, the “Cboe Equity Exchanges”) Rules 11.1(a)(1) and 11.7(a)(1) (allowing for the entry of Post Only and Minimum Execution Quantity order with a time-in-force of Day to be entered prior to 9:30 a.m. Eastern Time and not participate in their respective opening processes). See also e.g., Investors Exchange LLC (“IEX”) Rules 11.190(b)(11)(B), 11.190(c)(3), and 11.190(b)(11)(F) (allowing for the entry of Minimum Quantity Orders with a time-in-force of Day prior to 9:30 a.m. Eastern Time and allowing those orders to bypass their opening process) and New York Stock Exchange LLC (“NYSE”) Rule 7.18(b)(1), NYSE Arca LLC (“NYSE Arca”) Rule 7.18-E(b)(1), NYSE American LLC (“NYSE American”) 7.18E(b)(1), NYSE National LLC (NYSE National”) Rule 7.18(b)(1), and NYSE Chicago LLC (“NYSE Chicago”, collectively with NYSE, NYSE Arca, NYSE American, NYSE National, and NYSE Chicago, the “NYSE Equity Exchanges”) Rule 7.18(b)(1) (not including ALO orders in the list of order types the exchanges would cancel during a halt).

of Limit Orders⁷ with a Reserve Quantity⁸ during the Exchange's opening process. This change is based on the rules of other equity exchanges.⁹

Acceptance of Orders before 9:30 A.M. Eastern Time

Exchange Rule 2600(a) provides for the entry of orders starting at 7:30 a.m. Eastern Time and that orders entered between 7:30 a.m. and 9:30 a.m. Eastern Time are not eligible for execution until the start of Regular Trading Hours.¹⁰ Exchange Rule 2600(a) further provides that the Exchange will not accept the following orders prior to 9:30 a.m. Eastern Time: orders designated as Post Only with a time-in-force of RHO, Intermarket Sweep Orders ("ISO"),¹¹ all orders with a time-in-force of Immediate-or-Cancel ("IOC"),¹² and orders that include a Minimum Execution Quantity instruction.

The Exchange currently offers two time-in-force instructions, IOC and RHO. The Exchange understands that some Members now wish to enter orders with a time-in-force of RHO that include either a Post Only instruction or Minimum Execution Quantity instruction prior to

⁷ In sum, a Limit Order is an order to buy or sell a stated amount of a security at a specified price or better. See Exchange Rule 2614(a) for a more detailed description of Limit Orders.

⁸ In sum, Reserve Quantity is an instruction a User may attach to an order where a portion of the order is displayed ("Displayed Quantity") and with a portion of the order non-displayed ("Reserve Quantity"). See Exchange Rule 2614(c)(8) for a more detailed description of the Reserve Quantity instruction.

⁹ See BZX Rule 11.24(a)(2), BYX Rule 11.23(a)(2), and EDGA and EDGX Rules 11.7(a)(2).

¹⁰ See Exchange Rule 1901 defines the term "Regular Trading Hours" as "the time between 9:30 a.m. and 4:00 p.m. Eastern Time."

¹¹ ISOs are defined under Rule 600(b)(38) of Regulation NMS. 17 CFR 242.600(b)(38). See Exchange Rule 2614(d) for a more detailed description of ISOs on MIAX Pearl Equities.

¹² In sum, an order with a time-in-force of IOC is to be executed in whole or in part as soon as such order is received. See Exchange Rule 2614(b)(1) for a more detailed description of the time-in-force instruction of IOC.

9:30 a.m. Eastern Time. The Exchange, therefore, proposes to amend Exchange Rule 2600(a) to accept prior to 9:30 a.m. Eastern Time orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction. The Exchange notes that this proposal is limited to Limit Orders and Midpoint Peg Orders¹³ with a time-in-force of RHO that include either a Post Only or Minimum Execution Quantity instruction. Market Orders¹⁴ and orders that include a time-in-force of IOC and Minimum Execution Quantity instruction will continue to be rejected prior to 9:30 a.m. Eastern Time.¹⁵

Pursuant to its opening process described under Exchange Rule 2615, the Exchange opens trading at the start of Regular Trading Hours by matching buy and sell orders at the midpoint of the national best bid and offer (“NBBO”).¹⁶ Only orders that include a time-in-force of RHO may participate in the opening process. Exchange Rule 2615(a)(1) provides that orders

¹³ In sum, a Midpoint Peg Order is a non-displayed Limit Order that is assigned a working price pegged to the midpoint of the Protected Best Bid and Offer (“PBBO”). See Exchange Rule 2614(a)(3) for a more detailed description of Midpoint Peg Orders. Exchange Rule 1901 defines PBBO with respect to trading of equity securities as the national best bid or offer that is a Protected Quotation.

¹⁴ Market Orders may include a time-in-force of IOC. See Exchange Rule 2614(a)(2)(B). Market Orders with a time-in-force of IOC are rejected prior to the opening process and cancelled or rejected during a halt. See Exchange Rules 2600(a) and 2615(e)(1)(A). A Market Order may include a time-in-force of RHO when coupled with the Route to Primary Auction (“PAC”) routing option and such orders are accepted prior to the opening process and during a halt. In sum, PAC is a routing option for Market Orders and displayed Limit Orders designated as RHO that the entering firm wishes to designate for participation in the opening, re-opening (following a regulatory halt, suspension, or pause), or closing process of a primary listing market. See Exchange Rule 2617(b)(5)(B) for a more detailed description of the PAC routing option.

¹⁵ The Exchange notes that orders that include a Post Only instruction and time-in-force of IOC are always rejected regardless of time of entry as these two order instructions are incompatible by their terms. See preamble to Exchange Rule 2614 (providing that “[o]rder, instruction, and parameter combinations which are disallowed by the Exchange or incompatible by their terms, will be rejected...”).

¹⁶ See Exchange Rule 1901.

designated as Post Only, ISOs, orders with a Minimum Execution Quantity instruction, and orders that include a time-in-force other than RHO are not eligible to participate in the Opening Process. As such, orders that include a time-in-force of RHO that include either a Post Only instruction or Minimum Execution Quantity instruction entered prior to 9:30 a.m. Eastern Time would continue to not be eligible for execution until after the Exchange's opening process is complete and continuous trading has begun. The operation of the Post Only and Minimum Execution Quantity instructions are incompatible with the operation of the opening process as each order instruction places a contingency on the order that may prevent an execution. This also reflects current functionality and the Exchange understands this is consistent with how Equity Members¹⁷ who would submit such orders prior to 9:30 a.m. Eastern Time would want their orders to be handled and with their expectations of the types of orders and order instructions that are eligible to participate in an opening process. Exchange Rule 2615(a)(1) would be amended to specify that while orders with a time-in-force of RHO that include a Post Only or Minimum Execution Quantity instruction are accepted prior to the opening process pursuant to Exchange Rule 2600(a) (as amended herein), such orders would not be eligible to participate in the opening process.¹⁸ As they are today, such orders, along with the unexecuted portion of orders that were eligible to participate in the opening process, will be placed on the MIAX Pearl Equities Book in time sequence, beginning with the order with the oldest timestamp, cancelled,

¹⁷ The term "Equity Member" means a Member authorized by the Exchange to transact business on MIAX Pearl Equities. See Exchange Rule 1901.

¹⁸ The Exchange proposes to make non-substantive conforming changes to Exchange Rule 2615(a)(1) regarding what orders are not eligible to participate in the opening process to account for the proposed new text.

executed, or routed to away Trading Centers in accordance with the terms of the order at the conclusion of the opening process.¹⁹

Acceptance and Retention of Orders during a Halt

Exchange Rule 2615(e)(1) provides that the re-opening process will occur in the same manner as the opening process, with the following differences: ISOs, orders that include a time-in-force of IOC, orders that include a Minimum Execution Quantity instruction, and orders designated as Post Only will be cancelled or rejected, as applicable.²⁰ As such, during a halt the Exchange cancels or rejects orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction. Equity Members may then choose to resubmit such orders at the conclusion of the Exchange's re-opening process when continuous trading resumes. The Exchange understands that some Equity Members prefer the Exchange accept or retain orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction when the security is halted so that such order would be placed on the MIAX Pearl Equities Book when the re-opening process concludes and they would not need to resubmit the order at that time. The Exchange, therefore, proposes to amend Exchange Rule 2615(e)(1)(A) to no longer cancel or reject orders that include a time-in-force of RHO and either a Minimum Execution Quantity instruction or Post Only instruction when trading in a security is halted. As is the case with the above proposal regarding the opening process, this portion of the proposal is also limited to Limit Orders and Midpoint Peg Orders

¹⁹ See Exchange Rule 2615(b).

²⁰ An order that is cancelled is first accepted by the System and then immediately cancelled back to the Member. An order that is rejected is not accepted by the System and immediately returned to the Member.

with a time-in-force of RHO that include either a Post Only or Minimum Execution Quantity instruction.²¹

Pursuant to its re-opening process described under Exchange Rule 2615(e), the Exchange re-opens trading following a halt by matching buy and sell orders at the midpoint of the NBBO. Exchange Rule 2615(e)(1) provides that the re-opening process will occur in the same manner as the opening process, with certain differences described above. As such, only orders that include a time-in-force of RHO may participate in the re-opening process. As with the opening process, orders that include either a Post Only instruction or Minimum Execution Quantity instruction are not eligible to participate in the Exchange's re-opening process because such orders are currently cancelled or rejected during a halt. The Exchange proposes to amend Exchange Rule 2615(e)(1)(A) to specify that orders with a time-in-force of RHO that include a Post Only instruction or a Minimum Execution Quantity instruction would be accepted and retained during a halt but will continue to not be eligible to participate in the Exchange's re-opening process. The operation of the Post Only and Minimum Execution Quantity instructions are incompatible with the operation of the re-opening process as each order instruction places a contingency on the order that may prevent an execution. Further, such orders not being eligible to participate in the Exchange's re-opening process reflects current functionality and the Exchange understands this is consistent with how Equity Members would want their orders to be handled and with their expectations of the types of orders and order instructions that are eligible to participate in a re-opening process. As they are today, such orders, along with the unexecuted portion of orders that were eligible to participate in the re-opening process, will be placed on the MIAX Pearl Equities Book in time sequence, beginning with the order with the oldest timestamp, cancelled,

²¹ See supra notes 14 and 15 as accompanying text.

executed, or routed to away Trading Centers in accordance with the terms of the order at the conclusion of the re-opening process.

Reserve Quantity Clarification

The Exchange currently offers the Reserve Quantity instruction, which enables a User²² to specify that a portion of their Limit Order be displayed and another portion of their order be non-displayed. The Reserve Quantity instruction may only be attached to a Limit Order.²³ Today, Limit Orders that include a time-in-force of RHO and a Reserve Quantity are eligible to participate in the Exchange's opening or re-opening process.²⁴ The Exchange proposes to amend Exchange Rule 2615(a)(1) to specify that Limit Orders with a Reserve Quantity instruction may participate to the full extent of their Displayed Quantity and Reserve Quantity. This added language would allow the rule to reflect current functionality, provide market participants with additional specificity regarding the handling of Limit Orders with a Reserve Quantity during the opening and re-opening processes, and is substantially similar to the rules of other exchanges.²⁵

Implementation

Due to the technological changes associated with this proposed change, the Exchange will issue a trading alert publicly announcing the implementation date of this proposed rule change to provide Equity Members with adequate time to prepare for the associated technological changes. The Exchange anticipates that the implementation date will be in the

²² Exchange Rule 1901 defines the term "User" as "any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Exchange Rule 2602."

²³ Exchange Rule 2614(a)(1)(A)(i).

²⁴ See Exchange Rule 2615(a)(1) (providing that orders that include a time-in-force of RHO may participate in the opening process and not specifying that orders with a Reserve Quantity are not eligible to participate in the opening process).

²⁵ See supra note 9.

second quarter of 2022.

b. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,²⁶ in general, and furthers the objectives of Section 6(b)(5),²⁷ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, facilitate transactions in securities, remove impediments to and perfect the mechanism of a free and open market and a national market system. The proposed rule change would remove impediments to a free and open market and promote just and equitable principles of trade because it would provide market participants with another venue to which to send orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time. Because the Exchange does not have this functionality, the Exchange believes that market participants have refrained from sending orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time. In this regard, the Exchange notes that the proposed new functionality may improve the Exchange's market by attracting more order flow. The Exchange also believes that its proposal to accept new orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction and to retain such orders during a halt would also improve the Exchange's market by attracting more order flow. Such new order flow will further enhance the depth and liquidity on the Exchange, which supports just and equitable principles of trade and benefits all market participants.

²⁶ 15 U.S.C. 78f(b).

²⁷ 15 U.S.C. 78f(b)(5).

Orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction entered prior to 9:30 a.m. Eastern Time or during a halt would not receive any priority advantage vis-à-vis the unexecuted portion of orders that are eligible for execution in the Exchange's opening or re-opening process. All orders, including orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction, and the unexecuted portion of orders that were eligible to participate in the opening or re-opening process will be placed on the MIAX Pearl Equities Book in time sequence based on their timestamp at the conclusion of the opening or re-opening process.²⁸ For example, assume a Limit Order to sell 100 shares with a Post Only instruction and time-in-force of RHO is entered at 8:45 a.m. Eastern Time ("Order 1"), then a Limit Order to sell 100 shares with a time-in-force of RHO is entered at 9:00 a.m. Eastern Time ("Order 2"), and then a Limit Order to sell 100 shares with a Minimum Execution Quantity instruction and time-in-force of RHO is entered at 9:15 a.m. Eastern Time ("Order 3"). 50 shares of Order 2 are executed during the Exchange's opening process. These orders would be fed onto the MIAX Pearl Equities Book in the following order: Order 1 for 100 shares, Order 2 for 50 shares, and Order 3 for 100 shares. Assume Order 1 increased its size to 200 shares via a Cancel/Replace message at 9:20 a.m. causing its timestamp to be updated to time of the modification. In this case, these orders would be fed onto the MIAX Pearl Equities Book in the following order: Order 2 for 50 shares, Order 3 for 100 shares, then Order 1 for 200 shares. Therefore, the proposal promotes just and equitable principles of trade because orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction

²⁸ The order's timestamp is the time of order entry unless the order is canceled or replaced pursuant to Exchange Rule 2614(e) and its timestamp is updated pursuant to Exchange Rule 2616(a)(5).

entered prior to 9:30 a.m. Eastern Time would not receive any priority advantage vis-à-vis other orders when being fed onto the MIAX PearlEquities Book following the conclusion of the Exchange's opening or re-opening process.

The Exchange believes its proposal to allow for the entry of orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time promotes just and equitable principles of trade because it is similar to functionality at other exchanges that allow for orders to be entered prior to 9:30 a.m. Eastern Time with a time-in-force instruction that allows the order to bypass that exchange's opening process. The Cboe Equity Exchanges allow for the entry of Post Only and Minimum Execution Quantity orders with a time-in-force of Day prior to 9:30 a.m. Eastern Time and allow those orders to bypass their respective opening processes.²⁹ For example, on EDGX, orders that include a time-in-force of Day that also include a Post Only instruction or a Minimum Execution Quantity instruction are accepted prior to 9:30 a.m. Eastern Time. EDGX Rule 11.7(a) further provides that only orders with a time-in-force of RHO may participate in their opening. As a

²⁹ See supra note 6. EDGX Rule 11.6(q)(2) provide that the Day time-in-force is an "instruction the User may attach to an order stating that an order to buy or sell which, if not executed, expires at the end of Regular Trading Hours." Orders with a time-in-force of Day on EDGX or RHO on the Exchange both expire at the end of Regular Trading Hours and are not meaningfully different other than the fact that on EDGX, orders with a time-in-force of Day are eligible for execution during EDGX's pre-market trading sessions. The Exchange does not currently offer pre-market trading. EDGX Rule 11.1(a)(1) provides that EDGX will not accept orders with a Post Only instruction, orders with a Minimum Execution Quantity instruction that also include a time-in-force of Regular Hours Only, and all orders with a TIF instruction of IOC or FOK prior to either 4:00 a.m. Eastern Time or 7:00 a.m. Eastern Time, as applicable. The Exchange understands that orders with a Post Only instruction and orders with a Minimum Execution Quantity instruction that also include a time-in-force of Regular Hours Only are accepted after either 4:00 a.m. Eastern Time or 7:00 a.m. Eastern Time, as applicable, and bypass EDGX's opening process. See EDGX Rule 11.7(a). The Exchange notes that its Post Only instruction and Minimum Execution Quantity instruction are substantially similar to EDGX's Post Only instruction and Minimum Execution Quantity instruction.

result, orders that include a time-in-force of Day that also include a Post Only instruction or a Minimum Execution Quantity instruction bypass EDGX's opening processes. The Exchange notes that, unlike on the Exchange, orders that include a time-in-force of Day that also include a Post Only instruction or a Minimum Execution Quantity are eligible for execution prior to 9:30 a.m. Eastern Time on EDGX because EDGX provides pre-market trading and the Exchange does not. In addition, the Exchange would process such orders in time priority following the opening process, which is the same manner in which EDGX would process orders that include a time-in-force of Day and a Post Only instruction or a Minimum Execution Quantity that were not fully executed during EDGX's pre-market trading session following their opening process.

IEX similarly allows for the entry of Minimum Quantity Orders with a time-in-force of Day³⁰ prior to 9:30 a.m. Eastern Time and allows those orders to bypass their opening process. IEX's Minimum Quantity Order, which is substantially similar to the Exchange's Minimum Execution Quantity instruction, may be entered but not eligible for execution prior to 9:30 a.m. Eastern Time and bypass IEX's opening process.³¹ This is similar to the Exchange's proposal to accept orders that include a time-in-force of RHO and a Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time and for those orders to not be eligible for execution prior to 9:30 a.m. Eastern Time and bypass the opening process.

The Exchange also believes its proposal to allow for the retention of orders that include a time-in-force of RHO and a Post Only instruction during a halt promotes just and equitable principles of trade because it is similar to functionality at other exchanges. The NYSE Equity

³⁰ See IEX Rule 11.190(b)(11)(B).

³¹ See IEX Rules 11.190(c)(3) and 11.190(b)(11)(F).

Exchanges do not cancel ALO Orders,³² which are similar to the Exchange's Post Only instruction, during a halt.³³ For example, NYSE Rule 7.18(b) lists the order types that NYSE cancels or rejects when trading in a non-NYSE listed security is halted. NYSE Rule 7.18(b) does not include ALO orders in the list of order types that NYSE will cancel during a halt. Therefore, the Exchange believes NYSE retains ALO orders when trading in a non-NYSE listed security is halted.

The Exchange believes that, unlike as proposed by the Exchange, the NYSE Equity Exchanges do not accept ALO orders when trading in a non-NYSE listed security is halted. The Exchange also believes that the NYSE Equity Exchanges do not accept new orders with a Minimum Trade Size ("MTS") modifier³⁴ and cancel existing ones during a halt. Notwithstanding these differences, the Exchange believes the Exchange's proposal to accept and retain orders with a Post Only instruction or Minimum Execution Quantity instruction during a halt would promote just and equitable principles of trade by providing such orders with increased execution opportunities once the re-opening process concludes. The Exchange also believes that its proposal promotes efficiency because the Exchange would accept or retain orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction when not engaged in continuous trading and an Equity Member would not need to resubmit such orders when continuous trading commences following a halt. The Exchange also

³² See e.g., NYSE Rule 7.31(e)(2) for a description of the NYSE Equity Exchange's ALO Order.

³³ See *supra* note 6.

³⁴ See e.g., NYSE Rule 7.31(i)(3) for a description of the NYSE Equity Exchange's MTS modifier including that an MTS modifier may be included on a Non-Displayed Limit Order. NYSE Rule 7.18(b)(1) states that NYSE will cancel any unexecuted portion of a Non-Displayed Limit Order in a UTP security during a halt.

believes that its proposal to accept new orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction and to retain such orders during a halt would also improve the Exchange's market by attracting more order flow. Such new order flow will further enhance the depth and liquidity on the Exchange, which supports just and equitable principles of trade and benefits all market participants.

The Exchange believes its proposal to amend Exchange Rule 2615(a)(1) to specify that Limit Orders with a Reserve Quantity may participate in the opening and re-opening processes to the full extent of their Displayed Quantity and Reserve Quantity promotes just and equitable principles of trade and removes impediments to and perfects the mechanism of a free and open market and a national market system because this added language provides market participants with additional specificity within the rule regarding the handling of Limit Orders with a Reserve Quantity during the opening and re-opening processes, thereby avoiding any potential investor confusion. Further, this proposed change does not raise any new or novel issues because it is based on the rules of other exchanges.³⁵

4. 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 that the proposal will not impose any burden on inter-market competition, but rather promote competition by enhancing the Exchange's functionality and expanding the times when certain orders may be submitted. The proposed rule change would improve inter-market competition because it will enable the Exchange to offer functionality substantially similar to that offered by the Cboe Equity Exchanges, NYSE Equity Exchanges,

³⁵ See supra note 9.

and IEX.³⁶ The Exchange believes its lack of this functionality has put it at a competitive disadvantage as market participants that seek to enter orders with a Post Only or Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time or during a halt have avoided sending orders to the Exchange. The Exchange believes that its proposal promotes competition because it is designed to attract liquidity to the Exchange and improve the overall quality of the MIAX Pearl Equities Book.

The Exchange believes that the proposal will not impose any burden on intra-market competition because it would be available to all Equity Members. Any Equity Member that seeks to enter orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time or during a halt would be free to do so on the Exchange. All orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction entered prior to 9:30 a.m. Eastern Time or during a halt would be treated equally and no order would receive any priority advantage vis-à-vis other orders when being fed onto the MIAX Pearl Equities Book following the conclusion of the Exchange's opening or re-opening process.

Finally, the proposed clarification to Exchange Rule 2615(a)(1) would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because it better aligns the rule with System functionality by providing additional specificity and avoiding potential investor confusion.

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.

³⁶ See supra note 6.

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 Act³⁷ and Rule 19b-4(f)(6)³⁸ 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.

The proposed rule change does not significantly affect the protection of investors or the public interest and does not impose any significant burden on competition because it would provide market participants with another venue to which to send orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction to prior to 9:30 a.m. Eastern Time. The proposed change may attract more order flow to the Exchange which may further enhance the depth and liquidity on the Exchange and improve the Exchange's overall market quality to the benefit of investors and the public interest. Further, its proposal is similar to functionality at other exchanges that allow for orders to be entered prior to 9:30 a.m. Eastern Time with a time-in-force instruction that allows the order to bypass that exchange's opening process,³⁹ and therefore, does not raise any new or novel issues not already considered by the Commission. Likewise, its proposal regarding halts also does not raise any

³⁷ 15 U.S.C. 78s(b)(3)(A).

³⁸ 17 CFR 240.19b-4(f)(6).

³⁹ See supra note 6.

new or novel issues not already considered by the Commission because it is similar to functionality at the NYSE Equity Exchanges who do not cancel ALO Orders, which are similar to the Exchange's Post Only instruction, during a halt.⁴⁰ The Exchange believes that, unlike as proposed by the Exchange, the NYSE Equity Exchanges do not accept ALO orders when trading in a non-NYSE listed security is halted. The Exchange also believes that the NYSE Equity Exchanges do not accept new orders with an MTS modifier and cancel existing ones during a halt. The Exchange believes these differences are of no significance because the Exchange's proposal to accept and retain orders with a Post Only instruction or Minimum Execution Quantity instruction during a halt does not significantly affect the protection of investors or the public interest and does not impose any significant burden on competition by providing such orders with increased execution opportunities once the re-opening process concludes. No trading occurs when a security is halted and the Exchange is simply holding such orders until continuous trading commences on the Exchange following its re-opening process. The Exchange also believes that its proposal promotes efficiency because the Exchange would accept or retain orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction when not engaged in continuous trading and an Equity Member would not need to resubmit such orders when continuous trading commences following a halt.

Allowing such orders to bypass the Exchange's opening and re-opening processes also does not significantly affect the protection of investors or the public interest and does not impose any significant burden on competition because it is consistent with Equity Members' expectations and understanding of the types of orders and order instructions that are eligible to participate in an opening or re-opening process. The proposal also does not significantly affect

⁴⁰ Id.

the protection of investors or the public interest because it would not provide those orders with a priority advantage when being placed on the MIAX Pearl Equities Book at the conclusion of the opening and re-opening process.

The proposal to amend Exchange Rule 2615(a)(1) regarding Limit Orders with a Reserve Quantity also does not significantly affect the protection of investors or the public interest and does not impose any significant burden on competition because the added language is designed to provide additional specificity within the rule with the goal to avoid any potential investor confusion. Further, this proposed change does not raise any new or novel issues because it is based on the rules of other exchanges that were previously filed with the Commission.⁴¹

For the foregoing reasons, the Exchange believes that this rule filing qualifies as a “non-controversial” rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. 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

The proposed change to Exchange Rule 2615(a)(1) is identical to BZX Rule 11.24(a)(2), BYX Rule 11.23(a)(2), and EDGA and EDGX Rules 11.7(a)(2).

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

⁴¹ See supra note 9.

Not applicable.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. Text of proposed rule change.

EXHIBIT 1SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-PEARL-2022-14)

April__, 2022

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX PEARL, LLC to Amend Exchange Rule 2600, Hours of Trading and Trading Days, and Exchange Rule 2615, Opening Process for Equity Securities.

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 April__, 2022 MIAX PEARL, LLC (“MIAX Pearl” or the “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 proposed rule change to amend Exchange Rule 2600, Hours of Trading and Trading Days, and Exchange Rule 2615, Opening Process for Equity Securities.

The text of the proposed rule change is available on the Exchange’s website at <http://www.miaxoptions.com/rule-filings/pearl> 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

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 allows for the trading of equity securities on its equity trading platform (referred to herein as “MIAX Pearl Equities”). The purpose of the proposed rule change is to: (i) accept prior to 9:30 a.m. Eastern Time orders in equity securities that include a Post Only³ instruction and a time-in-force of Regular Hours Only (“RHO”),⁴ and orders that include a Minimum Execution Quantity⁵ instruction and a time-in-force of RHO; and (ii) accept and retain such orders when trading in a security is halted. This is similar to functionality on other equity exchanges.⁶ Another purpose of the proposed rule change is to

³ In sum, an order with a Post Only instruction is a non-routable order that will be ranked and executed on the MIAX Pearl Equities Book pursuant to Exchange Rules 2616 and 2617(a)(4). See Exchange Rule 2614(c)(2) for a more detailed description of the Post Only instruction. Exchange Rule 1901 defines the term “MIAX Pearl Equities Book” as “the electronic book of orders in equity securities maintained by the System.”

⁴ In sum, an order with a time-in-force of RHO is designated for execution only during Regular Trading Hours, which includes the opening process for equity securities. See Exchange Rule 2614(b)(2) for a more detailed description of the RHO instruction.

⁵ In sum, Minimum Execution Quantity is an instruction a User may attach to a non-displayed order requiring the System to execute the order only to the extent that a minimum quantity can be satisfied. See Exchange Rule 2614(c)(7) for a more detailed description of the Minimum Execution Quantity instruction.

⁶ See, e.g., Cboe BYX Exchange, Inc. (“BYX”) Rules 11.1(a) and 11.23(a)(1), Cboe BZX Exchange, Inc. (“BZX”) Rules 11.1(a) and 11.24(a)(1), Cboe EDGA Exchange, Inc. (“EDGA”) and Cboe EDGX Exchange, Inc. (“EDGX”, collectively with BYX, BZX, and EDGA, the “Cboe Equity Exchanges”) Rules 11.1(a)(1) and 11.7(a)(1) (allowing for the entry of Post Only and Minimum Execution Quantity order with a time-in-force of Day to be entered prior to 9:30 a.m. Eastern Time and not participate in their respective opening processes). See also e.g., Investors Exchange LLC (“IEX”) Rules 11.190(b)(11)(B), 11.190(c)(3), and 11.190(b)(11)(F) (allowing for the entry of Minimum Quantity Orders

amend Exchange Rule 2615(a)(1) to provide additional specificity concerning the handling of Limit Orders⁷ with a Reserve Quantity⁸ during the Exchange's opening process. This change is based on the rules of other equity exchanges.⁹

Acceptance of Orders before 9:30 A.M. Eastern Time

Exchange Rule 2600(a) provides for the entry of orders starting at 7:30 a.m. Eastern Time and that orders entered between 7:30 a.m. and 9:30 a.m. Eastern Time are not eligible for execution until the start of Regular Trading Hours.¹⁰ Exchange Rule 2600(a) further provides that the Exchange will not accept the following orders prior to 9:30 a.m. Eastern Time: orders designated as Post Only with a time-in-force of RHO, Intermarket Sweep Orders ("ISO"),¹¹ all

with a time-in-force of Day prior to 9:30 a.m. Eastern Time and allowing those orders to bypass their opening process) and New York Stock Exchange LLC ("NYSE") Rule 7.18(b)(1), NYSE Arca LLC ("NYSE Arca") Rule 7.18-E(b)(1), NYSE American LLC ("NYSE American") 7.18E(b)(1), NYSE National LLC (NYSE National") Rule 7.18(b)(1), and NYSE Chicago LLC ("NYSE Chicago", collectively with NYSE, NYSE Arca, NYSE American, NYSE National, and NYSE Chicago, the "NYSE Equity Exchanges") Rule 7.18(b)(1) (not including ALO orders in the list of order types the exchanges would cancel during a halt).

⁷ In sum, a Limit Order is an order to buy or sell a stated amount of a security at a specified price or better. See Exchange Rule 2614(a) for a more detailed description of Limit Orders.

⁸ In sum, Reserve Quantity is an instruction a User may attach to an order where a portion of the order is displayed ("Displayed Quantity") and with a portion of the order non-displayed ("Reserve Quantity"). See Exchange Rule 2614(c)(8) for a more detailed description of the Reserve Quantity instruction.

⁹ See BZX Rule 11.24(a)(2), BYX Rule 11.23(a)(2), and EDGA and EDGX Rules 11.7(a)(2).

¹⁰ See Exchange Rule 1901 defines the term "Regular Trading Hours" as "the time between 9:30 a.m. and 4:00 p.m. Eastern Time."

¹¹ ISOs are defined under Rule 600(b)(38) of Regulation NMS. 17 CFR 242.600(b)(38). See Exchange Rule 2614(d) for a more detailed description of ISOs on MIAX Pearl Equities.

orders with a time-in-force of Immediate-or-Cancel (“IOC”),¹² and orders that include a Minimum Execution Quantity instruction.

The Exchange currently offers two time-in-force instructions, IOC and RHO. The Exchange understands that some Members now wish to enter orders with a time-in-force of RHO that include either a Post Only instruction or Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time. The Exchange, therefore, proposes to amend Exchange Rule 2600(a) to accept prior to 9:30 a.m. Eastern Time orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction. The Exchange notes that this proposal is limited to Limit Orders and Midpoint Peg Orders¹³ with a time-in-force of RHO that include either a Post Only or Minimum Execution Quantity instruction. Market Orders¹⁴ and orders that include a time-in-force of IOC and Minimum Execution Quantity instruction will continue to be rejected prior to 9:30 a.m. Eastern Time.¹⁵

¹² In sum, an order with a time-in-force of IOC is to be executed in whole or in part as soon as such order is received. See Exchange Rule 2614(b)(1) for a more detailed description of the time-in-force instruction of IOC.

¹³ In sum, a Midpoint Peg Order is a non-displayed Limit Order that is assigned a working price pegged to the midpoint of the Protected Best Bid and Offer (“PBBO”). See Exchange Rule 2614(a)(3) for a more detailed description of Midpoint Peg Orders. Exchange Rule 1901 defines PBBO with respect to trading of equity securities as the national best bid or offer that is a Protected Quotation.

¹⁴ Market Orders may include a time-in-force of IOC. See Exchange Rule 2614(a)(2)(B). Market Orders with a time-in-force of IOC are rejected prior to the opening process and cancelled or rejected during a halt. See Exchange Rules 2600(a) and 2615(e)(1)(A). A Market Order may include a time-in-force of RHO when coupled with the Route to Primary Auction (“PAC”) routing option and such orders are accepted prior to the opening process and during a halt. In sum, PAC is a routing option for Market Orders and displayed Limit Orders designated as RHO that the entering firm wishes to designate for participation in the opening, re-opening (following a regulatory halt, suspension, or pause), or closing process of a primary listing market. See Exchange Rule 2617(b)(5)(B) for a more detailed description of the PAC routing option.

¹⁵ The Exchange notes that orders that include a Post Only instruction and time-in-force of IOC are always rejected regardless of time of entry as these two order instructions are incompatible by their terms. See preamble to Exchange Rule 2614 (providing that

Pursuant to its opening process described under Exchange Rule 2615, the Exchange opens trading at the start of Regular Trading Hours by matching buy and sell orders at the midpoint of the national best bid and offer (“NBBO”).¹⁶ Only orders that include a time-in-force of RHO may participate in the opening process. Exchange Rule 2615(a)(1) provides that orders designated as Post Only, ISOs, orders with a Minimum Execution Quantity instruction, and orders that include a time-in-force other than RHO are not eligible to participate in the Opening Process. As such, orders that include a time-in-force of RHO that include either a Post Only instruction or Minimum Execution Quantity instruction entered prior to 9:30 a.m. Eastern Time would continue to not be eligible for execution until after the Exchange’s opening process is complete and continuous trading has begun. The operation of the Post Only and Minimum Execution Quantity instructions are incompatible with the operation of the opening process as each order instruction places a contingency on the order that may prevent an execution. This also reflects current functionality and the Exchange understands this is consistent with how Equity Members¹⁷ who would submit such orders prior to 9:30 a.m. Eastern Time would want their orders to be handled and with their expectations of the types of orders and order instructions that are eligible to participate in an opening process. Exchange Rule 2615(a)(1) would be amended to specify that while orders with a time-in-force of RHO that include a Post Only or Minimum Execution Quantity instruction are accepted prior to the opening process pursuant to Exchange Rule 2600(a) (as amended herein), such orders would not be eligible to participate in

“[o]rder, instruction, and parameter combinations which are disallowed by the Exchange or incompatible by their terms, will be rejected...”).

¹⁶ See Exchange Rule 1901.

¹⁷ The term “Equity Member” means a Member authorized by the Exchange to transact business on MIAX Pearl Equities. See Exchange Rule 1901.

the opening process.¹⁸ As they are today, such orders, along with the unexecuted portion of orders that were eligible to participate in the opening process, will be placed on the MIAX Pearl Equities Book in time sequence, beginning with the order with the oldest timestamp, cancelled, executed, or routed to away Trading Centers in accordance with the terms of the order at the conclusion of the opening process.¹⁹

Acceptance and Retention of Orders during a Halt

Exchange Rule 2615(e)(1) provides that the re-opening process will occur in the same manner as the opening process, with the following differences: ISOs, orders that include a time-in-force of IOC, orders that include a Minimum Execution Quantity instruction, and orders designated as Post Only will be cancelled or rejected, as applicable.²⁰ As such, during a halt the Exchange cancels or rejects orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction. Equity Members may then choose to resubmit such orders at the conclusion of the Exchange's re-opening process when continuous trading resumes. The Exchange understands that some Equity Members prefer the Exchange accept or retain orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction when the security is halted so that such order would be placed on the MIAX Pearl Equities Book when the re-opening process concludes and they would not need to resubmit the order at that time. The Exchange, therefore, proposes to amend Exchange Rule 2615(e)(1)(A) to no longer cancel or reject orders that include a time-in-force of

¹⁸ The Exchange proposes to make non-substantive conforming changes to Exchange Rule 2615(a)(1) regarding what orders are not eligible to participate in the opening process to account for the proposed new text.

¹⁹ See Exchange Rule 2615(b).

²⁰ An order that is cancelled is first accepted by the System and then immediately cancelled back to the Member. An order that is rejected is not accepted by the System and immediately returned to the Member.

RHO and either a Minimum Execution Quantity instruction or Post Only instruction when trading in a security is halted. As is the case with the above proposal regarding the opening process, this portion of the proposal is also limited to Limit Orders and Midpoint Peg Orders with a time-in-force of RHO that include either a Post Only or Minimum Execution Quantity instruction.²¹

Pursuant to its re-opening process described under Exchange Rule 2615(e), the Exchange re-opens trading following a halt by matching buy and sell orders at the midpoint of the NBBO. Exchange Rule 2615(e)(1) provides that the re-opening process will occur in the same manner as the opening process, with certain differences described above. As such, only orders that include a time-in-force of RHO may participate in the re-opening process. As with the opening process, orders that include either a Post Only instruction or Minimum Execution Quantity instruction are not eligible to participate in the Exchange's re-opening process because such orders are currently cancelled or rejected during a halt. The Exchange proposes to amend Exchange Rule 2615(e)(1)(A) to specify that orders with a time-in-force of RHO that include a Post Only instruction or a Minimum Execution Quantity instruction would be accepted and retained during a halt but will continue to not be eligible to participate in the Exchange's re-opening process. The operation of the Post Only and Minimum Execution Quantity instructions are incompatible with the operation of the re-opening process as each order instruction places a contingency on the order that may prevent an execution. Further, such orders not being eligible to participate in the Exchange's re-opening process reflects current functionality and the Exchange understands this is consistent with how Equity Members would want their orders to be handled and with their expectations of the types of orders and order instructions that are eligible to participate in a re-

²¹ See supra notes 14 and 15 as accompanying text.

opening process. As they are today, such orders, along with the unexecuted portion of orders that were eligible to participate in the re-opening process, will be placed on the MIAX Pearl Equities Book in time sequence, beginning with the order with the oldest timestamp, cancelled, executed, or routed to away Trading Centers in accordance with the terms of the order at the conclusion of the re-opening process.

Reserve Quantity Clarification

The Exchange currently offers the Reserve Quantity instruction, which enables a User²² to specify that a portion of their Limit Order be displayed and another portion of their order be non-displayed. The Reserve Quantity instruction may only be attached to a Limit Order.²³ Today, Limit Orders that include a time-in-force of RHO and a Reserve Quantity are eligible to participate in the Exchange's opening or re-opening process.²⁴ The Exchange proposes to amend Exchange Rule 2615(a)(1) to specify that Limit Orders with a Reserve Quantity instruction may participate to the full extent of their Displayed Quantity and Reserve Quantity. This added language would allow the rule to reflect current functionality, provide market participants with additional specificity regarding the handling of Limit Orders with a Reserve Quantity during the opening and re-opening processes, and is substantially similar to the rules of other exchanges.²⁵

Implementation

Due to the technological changes associated with this proposed change, the Exchange will issue a trading alert publicly announcing the implementation date of this proposed rule

²² Exchange Rule 1901 defines the term "User" as "any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Exchange Rule 2602."

²³ Exchange Rule 2614(a)(1)(A)(i).

²⁴ See Exchange Rule 2615(a)(1) (providing that orders that include a time-in-force of RHO may participate in the opening process and not specifying that orders with a Reserve Quantity are not eligible to participate in the opening process).

²⁵ See supra note 9.

change to provide Equity Members with adequate time to prepare for the associated technological changes. The Exchange anticipates that the implementation date will be in the second quarter of 2022.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,²⁶ in general, and furthers the objectives of Section 6(b)(5),²⁷ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, facilitate transactions in securities, remove impediments to and perfect the mechanism of a free and open market and a national market system. The proposed rule change would remove impediments to a free and open market and promote just and equitable principles of trade because it would provide market participants with another venue to which to send orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time. Because the Exchange does not have this functionality, the Exchange believes that market participants have refrained from sending orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time. In this regard, the Exchange notes that the proposed new functionality may improve the Exchange's market by attracting more order flow. The Exchange also believes that its proposal to accept new orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction and to retain such orders during a halt would also improve the Exchange's market by attracting more order flow. Such new order flow will further enhance the depth and liquidity on the Exchange, which supports just and equitable principles of trade and benefits all market participants.

²⁶ 15 U.S.C. 78f(b).

²⁷ 15 U.S.C. 78f(b)(5).

Orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction entered prior to 9:30 a.m. Eastern Time or during a halt would not receive any priority advantage vis-à-vis the unexecuted portion of orders that are eligible for execution in the Exchange's opening or re-opening process. All orders, including orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction, and the unexecuted portion of orders that were eligible to participate in the opening or re-opening process will be placed on the MIAX Pearl Equities Book in time sequence based on their timestamp at the conclusion of the opening or re-opening process.²⁸ For example, assume a Limit Order to sell 100 shares with a Post Only instruction and time-in-force of RHO is entered at 8:45 a.m. Eastern Time ("Order 1"), then a Limit Order to sell 100 shares with a time-in-force of RHO is entered at 9:00 a.m. Eastern Time ("Order 2"), and then a Limit Order to sell 100 shares with a Minimum Execution Quantity instruction and time-in-force of RHO is entered at 9:15 a.m. Eastern Time ("Order 3"). 50 shares of Order 2 are executed during the Exchange's opening process. These orders would be fed onto the MIAX Pearl Equities Book in the following order: Order 1 for 100 shares, Order 2 for 50 shares, and Order 3 for 100 shares. Assume Order 1 increased its size to 200 shares via a Cancel/Replace message at 9:20 a.m. causing its timestamp to be updated to time of the modification. In this case, these orders would be fed onto the MIAX Pearl Equities Book in the following order: Order 2 for 50 shares, Order 3 for 100 shares, then Order 1 for 200 shares. Therefore, the proposal promotes just and equitable principles of trade because orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction

²⁸ The order's timestamp is the time of order entry unless the order is canceled or replaced pursuant to Exchange Rule 2614(e) and its timestamp is updated pursuant to Exchange Rule 2616(a)(5).

entered prior to 9:30 a.m. Eastern Time would not receive any priority advantage vis-à-vis other orders when being fed onto the MIAX PearlEquities Book following the conclusion of the Exchange's opening or re-opening process.

The Exchange believes its proposal to allow for the entry of orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time promotes just and equitable principles of trade because it is similar to functionality at other exchanges that allow for orders to be entered prior to 9:30 a.m. Eastern Time with a time-in-force instruction that allows the order to bypass that exchange's opening process. The Cboe Equity Exchanges allow for the entry of Post Only and Minimum Execution Quantity orders with a time-in-force of Day prior to 9:30 a.m. Eastern Time and allow those orders to bypass their respective opening processes.²⁹ For example, on EDGX, orders that include a time-in-force of Day that also include a Post Only instruction or a Minimum Execution Quantity instruction are accepted prior to 9:30 a.m. Eastern Time. EDGX Rule 11.7(a) further provides that only orders with a time-in-force of RHO may participate in their opening. As a

²⁹ See supra note 6. EDGX Rule 11.6(q)(2) provide that the Day time-in-force is an "instruction the User may attach to an order stating that an order to buy or sell which, if not executed, expires at the end of Regular Trading Hours." Orders with a time-in-force of Day on EDGX or RHO on the Exchange both expire at the end of Regular Trading Hours and are not meaningfully different other than the fact that on EDGX, orders with a time-in-force of Day are eligible for execution during EDGX's pre-market trading sessions. The Exchange does not currently offer pre-market trading. EDGX Rule 11.1(a)(1) provides that EDGX will not accept orders with a Post Only instruction, orders with a Minimum Execution Quantity instruction that also include a time-in-force of Regular Hours Only, and all orders with a TIF instruction of IOC or FOK prior to either 4:00 a.m. Eastern Time or 7:00 a.m. Eastern Time, as applicable. The Exchange understands that orders with a Post Only instruction and orders with a Minimum Execution Quantity instruction that also include a time-in-force of Regular Hours Only are accepted after either 4:00 a.m. Eastern Time or 7:00 a.m. Eastern Time, as applicable, and bypass EDGX's opening process. See EDGX Rule 11.7(a). The Exchange notes that its Post Only instruction and Minimum Execution Quantity instruction are substantially similar to EDGX's Post Only instruction and Minimum Execution Quantity instruction.

result, orders that include a time-in-force of Day that also include a Post Only instruction or a Minimum Execution Quantity instruction bypass EDGX's opening processes. The Exchange notes that, unlike on the Exchange, orders that include a time-in-force of Day that also include a Post Only instruction or a Minimum Execution Quantity are eligible for execution prior to 9:30 a.m. Eastern Time on EDGX because EDGX provides pre-market trading and the Exchange does not. In addition, the Exchange would process such orders in time priority following the opening process, which is the same manner in which EDGX would process orders that include a time-in-force of Day and a Post Only instruction or a Minimum Execution Quantity that were not fully executed during EDGX's pre-market trading session following their opening process.

IEX similarly allows for the entry of Minimum Quantity Orders with a time-in-force of Day³⁰ prior to 9:30 a.m. Eastern Time and allows those orders to bypass their opening process. IEX's Minimum Quantity Order, which is substantially similar to the Exchange's Minimum Execution Quantity instruction, may be entered but not eligible for execution prior to 9:30 a.m. Eastern Time and bypass IEX's opening process.³¹ This is similar to the Exchange's proposal to accept orders that include a time-in-force of RHO and a Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time and for those orders to not be eligible for execution prior to 9:30 a.m. Eastern Time and bypass the opening process.

The Exchange also believes its proposal to allow for the retention of orders that include a time-in-force of RHO and a Post Only instruction during a halt promotes just and equitable principles of trade because it is similar to functionality at other exchanges. The NYSE Equity

³⁰ See IEX Rule 11.190(b)(11)(B).

³¹ See IEX Rules 11.190(c)(3) and 11.190(b)(11)(F).

Exchanges do not cancel ALO Orders,³² which are similar to the Exchange's Post Only instruction, during a halt.³³ For example, NYSE Rule 7.18(b) lists the order types that NYSE cancels or rejects when trading in a non-NYSE listed security is halted. NYSE Rule 7.18(b) does not include ALO orders in the list of order types that NYSE will cancel during a halt. Therefore, the Exchange believes NYSE retains ALO orders when trading in a non-NYSE listed security is halted.

The Exchange believes that, unlike as proposed by the Exchange, the NYSE Equity Exchanges do not accept ALO orders when trading in a non-NYSE listed security is halted. The Exchange also believes that the NYSE Equity Exchanges do not accept new orders with a Minimum Trade Size ("MTS") modifier³⁴ and cancel existing ones during a halt.

Notwithstanding these differences, the Exchange believes the Exchange's proposal to accept and retain orders with a Post Only instruction or Minimum Execution Quantity instruction during a halt would promote just and equitable principles of trade by providing such orders with increased execution opportunities once the re-opening process concludes. The Exchange also believes that its proposal promotes efficiency because the Exchange would accept or retain orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction when not engaged in continuous trading and an Equity Member would not need to resubmit such orders when continuous trading commences following a halt. The Exchange also believes that its proposal to accept new orders that include a time-in-force of RHO and either a

³² See e.g., NYSE Rule 7.31(e)(2) for a description of the NYSE Equity Exchange's ALO Order.

³³ See *supra* note 6.

³⁴ See e.g., NYSE Rule 7.31(i)(3) for a description of the NYSE Equity Exchange's MTS modifier including that an MTS modifier may be included on a Non-Displayed Limit Order. NYSE Rule 7.18(b)(1) states that NYSE will cancel any unexecuted portion of a Non-Displayed Limit Order in a UTP security during a halt.

Post Only instruction or Minimum Execution Quantity instruction and to retain such orders during a halt would also improve the Exchange's market by attracting more order flow. Such new order flow will further enhance the depth and liquidity on the Exchange, which supports just and equitable principles of trade and benefits all market participants.

The Exchange believes its proposal to amend Exchange Rule 2615(a)(1) to specify that Limit Orders with a Reserve Quantity may participate in the opening and re-opening processes to the full extent of their Displayed Quantity and Reserve Quantity promotes just and equitable principles of trade and removes impediments to and perfects the mechanism of a free and open market and a national market system because this added language provides market participants with additional specificity within the rule regarding the handling of Limit Orders with a Reserve Quantity during the opening and re-opening processes, thereby avoiding any potential investor confusion. Further, this proposed change does not raise any new or novel issues because it is based on the rules of other exchanges.³⁵

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 that the proposal will not impose any burden on inter-market competition, but rather promote competition by enhancing the Exchange's functionality and expanding the times when certain orders may be submitted. The proposed rule change would improve inter-market competition because it will enable the Exchange to offer functionality substantially similar to that offered by the Cboe Equity Exchanges, NYSE Equity Exchanges, and IEX.³⁶ The Exchange believes its lack of this functionality has put it at a competitive

³⁵ See supra note 9.

³⁶ See supra note 6.

disadvantage as market participants that seek to enter orders with a Post Only or Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time or during a halt have avoided sending orders to the Exchange. The Exchange believes that its proposal promotes competition because it is designed to attract liquidity to the Exchange and improve the overall quality of the MIAX Pearl Equities Book.

The Exchange believes that the proposal will not impose any burden on intra-market competition because it would be available to all Equity Members. Any Equity Member that seeks to enter orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction prior to 9:30 a.m. Eastern Time or during a halt would be free to do so on the Exchange. All orders that include a time-in-force of RHO and either a Post Only instruction or Minimum Execution Quantity instruction entered prior to 9:30 a.m. Eastern Time or during a halt would be treated equally and no order would receive any priority advantage vis-à-vis other orders when being fed onto the MIAX Pearl Equities Book following the conclusion of the Exchange's opening or re-opening process.

Finally, the proposed clarification to Exchange Rule 2615(a)(1) would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because it better aligns the rule with System functionality by providing additional specificity and avoiding potential investor confusion.

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 after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act³⁷ and Rule 19b-4(f)(6)³⁸ thereunder.

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. 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 (<http://www.sec.gov/rules/sro.shtml>);

or

- Send an e-mail [to rule-comments@sec.gov](mailto:to-rule-comments@sec.gov). Please include File Number SR-

PEARL-2022-14 on the subject line.

Paper comments:

³⁷ 15 U.S.C. 78s(b)(3)(A).

³⁸ 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.

- 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-2022-14. This file number should be included on the subject line if e-mail 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 Web site (<http://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 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-PEARL-2022-14 and should be submitted on or before [insert date 21 days from publication in the Federal Register]. For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁹

Vanessa Countryman
Secretary

³⁹ 17 CFR 200.30-3(a)(12).

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

MIAX PEARL, LLC Rules

Rule 2600. Hours of Trading and Trading Days

(a) Orders may be entered into the System from 7:30 a.m. until 4:00 p.m. Eastern Time (or such earlier time as may be designated by the Exchange on a day when MIAX Pearl Equities closes early). Orders entered between 7:30 a.m. and 9:30 a.m. Eastern Time are not eligible for execution until the start of Regular Trading Hours. The Exchange will not accept the following orders prior to 9:30 a.m. Eastern Time: [orders designated as Post Only with a time-in-force of RHO,]ISOs, and all orders with a time-in-force of IOC[, and orders that include a Minimum Execution Quantity instruction].

Rule 2615. Opening Process for Equity Securities

(a) **Order Entry and Cancellation before the Opening Process.** Prior to the beginning of Regular Trading Hours, Users who wish to participate in the Opening Process may enter orders to buy or sell that are designated as RHO. Orders cancelled before the Opening Process will not participate in the Opening Process.

(1) Only orders that include a time-in-force of RHO may participate in the Opening Process. While orders with a time-in-force of RHO that include a Post Only or Minimum Execution Quantity instruction are accepted prior to the Opening Process pursuant to Exchange Rule 2600(a), such orders are not eligible to participate in the Opening Process. [Orders designated as Post Only,]ISOs, [orders with a Minimum Execution Quantity instruction,] and orders that include a time-in-force other than RHO are also not eligible to participate in the Opening Process. Limit Orders that include a time-in-force of RHO with a Reserve Quantity may participate to the full extent of their Displayed Quantity and Reserve Quantity.

(2) – (3) (No change).

(b) – (d) (No change).

(e) **Re-Opening After a Halt.** While an equity security is subject to a halt, other than a halt initiated pursuant to Rule 2622(b)(2) following a Level 3 Market Decline, suspension, or pause in trading, the Exchange will accept orders for queuing prior to the resumption of trading in the security for participation in the Re-Opening Process.

(1) The Re-Opening Process will occur in the same manner described in paragraphs (a) through (c) above, with the following exceptions:

(A) ISOs and[,] orders that include a time-in-force of IOC[, orders that include a Minimum Execution Quantity instruction, and orders designated as Post Only] will be cancelled or rejected, as applicable. Orders with a time-in-force of RHO that include a Post Only instruction or a Minimum Execution Quantity instruction will be accepted and retained during a halt but are not eligible to participate in the Re-Opening Process;
