Required fields are shown with yellow backgrounds and asterisks.

| Page 1 of * 35 | SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4 | File No.* SR - 2017 - * 06 |
| | | 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) * ☐ |

Rule

| Pilot ☐ | Extension of Time Period for Commission Action * ☐ | Date Expires * | ☐ 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 | Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 |
| Section 806(e)(1) * ☐   Section 806(e)(2) * ☐ | 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 Rule 519A and 519B (Risk Protection Monitor)

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 *	Gregory	Last Name *	Ziegler
Title *	Associate Counsel		
E-mail *	gziegler@miaxoptions.com		
Telephone *	(609) 897-1483	Fax	

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date	02/02/2017	Associate Counsel
By	Gregory P. Ziegler	
	(Name *)	

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

gziegler@miami-holdings.com

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]

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]

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 Advance 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, security-based swap submission, or advance notice 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]

Exhibit Sent As Paper Document
☐

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 3 - Form, Report, or Questionnaire

[Add] [Remove] [View]

Exhibit Sent As Paper Document
☐

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 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]

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) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act" or the "Exchange Act"),[1] and Rule 19b-4 thereunder,[2] MIAX PEARL, LLC ("MIAX PEARL" or the "Exchange") is filing with the Securities and Exchange Commission (the "Commission") a proposed rule change to amend Exchange Rule 519A, Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX"), and Exchange Rule 519B, Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO").

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 pursuant to authority delegated by the MIAX PEARL Board of Directors on December 8, 2016. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the proposed rule change.

Questions and comments on the proposed rule change may be directed to Gregory P. Ziegler, Associate 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 Exchange Rule 519A, Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX") to make the protections provided by the Rule available to all Members[3] of the Exchange, and to make their usage mandatory for Electronic Exchange Members ("EEMs").[4] Additionally, the Exchange proposes to amend Exchange Rule 519B, Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO") to align the rule text to the proposed change to Rule 519A and to make it mandatory for EEMs using MEO to use the protections provided by the Rule.

Exchange Rule 519A. Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX")

The Exchange proposes to amend Exchange Rule 519A, Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX") by replacing "EEM" with "Member" to make the risk protections described in the rule available to all Members of the Exchange. MIAX PEARL Members may connect to the System[5] using the FIX Order Interface and/or the MIAX Express Order ("MEO") Interface. These two connection protocols are not mutually exclusive

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[3]   The term "Member" means an individual or organization that is registered with the Exchange pursuant to Chapter II of MIAX PEARL Rules for purposes of trading on the Exchange as an "Electronic Exchange Member" or ""Market Maker." Members are deemed "members under the Exchange Act. See Exchange Rule 100.

[4]   The term "Electronic Exchange Member" or "EEM" means the holder of a Trading Permit who is a Member representing as agent Public Customer Orders or Non-Customer Orders on the Exchange and those non-Market Maker Members conducting proprietary trading. Electronic Exchange Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

[5]   The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

and Members, specifically Market Makers ("MMs")[6] on the Exchange, may use MEO for providing liquidity to the Exchange via their Market Making activities; and FIX for removing liquidity from the Exchange. The Exchange seeks to provide risk protection tools to all Members using FIX, and not just EEM Members.

As proposed, RPM-FIX would provide protections to all Members by establishing a counting program that will count the number of orders entered and the number of contracts traded via an order entered during a specified time period established by the Member. The RPM-FIX Monitor would maintain one or more Member-configurable settings, allowing Members to establish FIX Interface Allowable Order Rate setting(s) and FIX Interface Allowable Contract Execution Rate setting(s). When a Member's order is entered or executed, the System would look back over the specified time period to determine if the Member had entered a number of orders exceeding their FIX Interface Allowable Order Rate setting or executed a number of contracts exceeding their FIX Interface Allowable Contract Execution Rate setting, and take action as provided by the rule.

Additionally, the Exchange proposes to harmonize the language and structure of MIAX PEARL Rule 519A, with MIAX Options Rule 519A, Risk Protection Monitor, which provides a more cohesive paragraph describing the Risk Protection Monitor feature, its functionality, the ability of Members to establish and configure multiple Risk Protection Monitor settings, and the ability of Members to determine one of three alternative actions to be taken by the Risk Protection Monitor once it is triggered. MIAX PEARL and MIAX Options have a number of

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[6]   The term "Market Maker" or "MM" means a Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter VI of MIAX PEARL Rules. See Exchange Rule 100.

common Members and where feasible the Exchange intends to implement similar behavior to provide consistency between the markets so as to avoid confusion among Members.

The Exchange also proposes to require mandatory participation by EEMs and new paragraph (b) of Rule 519A states that EEMs using the FIX Interface must establish at least one FIX Interface Allowable Order Rate setting with a corresponding specified time period of not less than one second, and not to exceed ten seconds, as established by the Exchange and communicated to Members via Regulatory Circular (a "Corresponding Specified Time Period") and at least one FIX Interface Allowable Contract Execution Rate setting (with a Corresponding Specified Time Period). The Exchange believes that establishing the Corresponding Specified Time Period within these parameters will provide minimum and maximum guidelines for EEMs, making their required use of the Risk Protection Monitor more effective and efficient.

The Risk Protection Monitor settings must be configured by the EEM such that RPM-FIX, when triggered, will perform one of two steps set forth in proposed Rule 519A(a): either (A) prevent the System from receiving any new orders in all series in all classes from the EEM; or (B) prevent the System from receiving any new orders in all series in all classes from the EEM and cancel all existing orders with a time-in-force of Day in all series in all classes from the EEM. Under the mandatory provision of proposed Rule 519A(b), the simple Member notification option included in section (C) of the proposed Rule 519A(a) would not be available. As proposed, Rule 519A provides that Members may establish additional FIX Interface Allowable Order Rate settings and additional FIX Interface Allowable Contract Rate settings, and any such additional settings may be configured to perform the step set forth in either (A), or (B), or (C) of Rule 519A as described above, upon engagement of the RPM-FIX Monitor.

While the risk protections available under RPM-FIX are available for all Members of the Exchange, the Exchange believes that mandating one class of Member (EEMs) and not the other (MMs) to use the risk protections provided in the rule to be acceptable given the current construction of the Exchange. The Exchange does not anticipate that every Market Maker will have a FIX Order Interface connection. Further, the Exchange anticipates that Market Makers that do establish a FIX Order Interface connection will use the connection in limited circumstances, and will primarily use the MEO Interface as discussed below. Therefore, the Exchange does not believe it is necessary to require all Members with a FIX Interface connection to use the RPM-FIX Monitor.

The Exchange believes that providing Members with the ability to establish multiple RPM-FIX settings enhances the Members' ability to account for sudden market movements due to extreme market volatility, and for heightened activity in one particular option or group of options in a particular industry or segment of the market due to news or other factors affecting the activity surrounding such option or options.

Exchange Rule 519B. Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO")

The Exchange proposes to amend Exchange Rule 519B, Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO") to mandate that EEMs with a MEO Interface connection use the risk protections described in the rule. Additionally, the Exchange proposes to harmonize the rule text with the proposed changes to Rule 519A, Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX") described and contained herein as it relates to the functionality, organization, and structure of the Rule.

As proposed, RPM-MEO provides identical protections as RPM-FIX by establishing a counting program that will count the number of orders entered and the number of contracts traded via an order entered through the MEO Interface during a specified time period established by the EEM. RPM-MEO maintains one or more EEM-configurable settings, allowing EEMs to establish MEO Interface Allowable Order Rate setting(s) and MEO Interface Allowable Contract Execution Rate setting(s). When an EEM's order is entered or executed, the System will look back over the specified time period to determine if the EEM has entered a number of orders exceeding their MEO Interface Allowable Order Rate setting or executed a number of contracts exceeding their MEO Interface Allowable Contract Execution Rate setting, and take action as provided by the rule.

The Exchange believes that providing EEMs with the ability to establish multiple RPM-MEO settings enhances the EEMs' ability to account for sudden market movements due to extreme market volatility, and for heightened activity in one particular option or group of options in a particular industry or segment of the market due to news or other factors affecting the activity surrounding such option or options.

The Exchange believes that permitting one type of Member (EEMs) and not the other (MMs) to use the risk protections provided in the rule to be acceptable given the current construction of the Exchange. Market Makers have a heightened obligation on the Exchange to maintain a two-sided market, pursuant to Rule 605(d)(1), in those series in which the Market Maker has registered to trade.[7] Exchange Rule 605, Market Maker Quotations, details various requirements associated with a Market Maker's quotes, such as "Size Associated with Quotes",

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[7]   See Exchange Rule 604(a)(1).

"Firm Quotes", and "Continuous Quotes".[8] A quote on the Exchange is defined as, "[…] a bid or offer entered by a Market Maker as a firm order that updates the Market Maker's previous bid or offer, if any […]."[9] Currently, there is not a separate Market Maker quote transaction available on the Exchange. The Exchange's definition of a quote further provides that, "[w]hen the term order is used in these Rules and a bid or offer is entered by the Market Maker in the option series to which such Market Maker is registered, such order shall, as applicable, constitute a quote or quotation for purposes of these Rules."[10]

Market Makers self-assign the series for which they choose to act as a Market Maker and may register daily for these series.[11] A Market Maker could easily have an obligation to provide continuous quotes for a large number of series. To provide two-sided quotes a Market Maker will need to submit orders (as there is no separate quote transaction currently available on the Exchange) to meet its obligation. The MEO interface is designed to enable Market Makers to satisfy their obligations on the Exchange by providing a Bulk Liquidity Message which allows the Member to submit multiple messages to the System. It is not anticipated by the Exchange that a Market Maker would use the FIX Interface as its primary connection to the Exchange nor send significant order flow via the FIX Order Interface, as the FIX protocol utilized by the Exchange does not provide support for the submission of bulk messages.

A large volume of orders submitted to the Exchange could trigger RPM-MEO, therefore the Exchange believes that the use of RPM-MEO is not necessary for Market Makers, as there is

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[8]   See Exchange Rule 605.

[9]   See Exchange Rule 100.

[10]   See Exchange Rule 100.

[11]   See Exchange Rule 602.

a separate risk protection mechanism available to Market Makers to address this risk. The Exchange offers Risk Protection for Market Makers under Exchange Rule 517B, Aggregate Risk Manager for Market Makers ("ARM-M") which provides a similar counting program ("MM Counting Program") for each Market Maker who has submitted an order in an option class (an "MM Option Class") delivered via the MEO Interface (an "MM ARM Eligible Order"). The MM Counting program will count the number of contracts executed by a Market Maker from an MM ARM Eligible Order ("MM ARM Contracts") within a specified time period either established by the Market Maker or as a default setting ("MM Specified Time Period").

The Exchange provides default settings for Market Makers for both the MM Specified Time Period, which is not to exceed fifteen (15) seconds[12] and an MM Allowable Engagement Percentage.[13] Market Makers may configure these parameters to suit their risk tolerance. ARM-M protects Market Makers and assists them in managing risk by limiting the number of contracts they can execute in an option class on the Exchange within a specified time period that has been established by the Market Maker. The System will engage ARM-M in a particular MM Option Class when the MM Counting Program has determined that a Market Maker has executed during the MM Specified Time Period a number of MM ARM Contracts from an MM ARM Eligible Order equal to or above their MM Allowable Engagement Percentage. ARM-M will then, until the Market Maker sends a notification to the System of the intent to reengage and submits a new order in the MM Option Class: (i) automatically cancel the MM ARM Eligible Orders in all series of that particular MM Option Class and (ii) reject new orders by the Market Maker in all series of that particular MM Option Class submitted using the MEO Interface.

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[12]   The Exchange notes the proposed default setting will be one (1) second.

[13]   The Exchange notes the proposed default setting will be 105%.

The Exchange is proposing that use of RPM-MEO be mandatory for EEMs who have a MEO Interface connection to the Exchange. While the Exchange does not anticipate that all EEMs will have a MEO Interface connection, the Exchange wishes to ensure that the same risk protections are provided for EEM orders irrespective of the means by which they are introduced to the System. RPM-MEO settings must be configured by the EEM in an identical fashion to RPM-FIX such that RPM-MEO, when triggered, will perform one of two steps set forth in proposed Rule 519B(a): either (A) prevent the System from receiving any new orders in all series in all classes from the EEM; or (B) prevent the System from receiving any new orders in all series in all classes from the EEM and cancel all existing orders with a time-in-force of Day in all series in all classes from the EEM. Under the mandatory provision of proposed Rule 519B(b), the simple EEM notification option included in section (C) of the proposed Rule 519B(a) would not be available. Proposed Rule 519B provides that EEMs may establish additional MEO Interface Allowable Order Rate settings and additional MEO Interface Allowable Contract Rate settings, and any such additional settings may be configured to perform the step set forth in either (A), or (B), or (C) of Rule 519B as described above, upon engagement of the RPM-MEO Monitor.

   b.   Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act[14] in general, and furthers the objectives of Section 6(b)(5) of the Act[15] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in

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[14]   15 U.S.C. 78f(b).

[15]   15 U.S.C. 78f(b)(5).

facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed change to the functionality, organization, and language of Rule 519A, Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX") to align to MIAX Options Rule 519A, Risk Protection Monitor, better organizes the rule and clarifies the features and functionality of RPM-FIX. Aligning similar rules on MIAX PEARL and MIAX Options provides transparency and clarity in the rules and minimizes the potential for confusion, thereby protecting investors and the public interest. Additionally, aligning Rule 519B, Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO") to proposed Rule 519A provides consistency between similar Exchange rules to avoid confusion and promotes the protection of investors and the public interest.

The Exchange believes that the proposal to expand the risk protections provided in Rule 519A to all Members of the Exchange promotes just and equitable principles of trade by ensuring that all Members using FIX for order submission to the Exchange can have risk protections in place to account for sudden market movements due to extreme market volatility. The proposed rule change will help reduce the negative impacts of sudden, unanticipated volatility in individual options, and serve to preserve an orderly market in a transparent and uniform manner, increase overall market confidence, and promote fair and orderly markets and further the protection of investors.

The Exchange believes that EEMs should be required to use the risk protection features provided in the proposed changes to Rule 519A and 519B to manage their risk from excessive order or execution rates that may be triggered by market events. The Exchange believes the

proposal removes impediments to and perfects the mechanisms of a free and open market and a national market system and in general, protects investors and the public interest. The proposal assures Members and the investing public that RPM-FIX and RPM-MEO is active for all EEM orders submitted to the Exchange.

The Exchange believes that all Members, and not just EEMs, will benefit from the proposed changes to Rule 519A, Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX"). Additionally, the Exchange believes that EEMs will benefit from the proposed mandatory use of the Risk Protection Monitor, coupled with the ability of EEMs to tailor their use of the Risk Protection Monitor to their risk tolerance levels. Members are vulnerable to risks stemming from market events which may cause them to send a large number of orders or receive multiple, automatic executions before they can adjust their order exposure in the market. Without adequate risk management tools, such as RPM-FIX and RPM-MEO, Members could reduce the amount of order flow and liquidity that they provide to the market. Such actions may undermine the quality of the markets available to customers and other market participants. Accordingly, the proposed amendments to RPM-FIX and RPM-MEO, especially its mandated use by EEMs, should instill additional confidence in Members that submit orders to the Exchange that their risk tolerance levels are protected, and thus should encourage such Members to submit additional order flow and liquidity to the Exchange with the understanding that they must have this protection, thereby removing impediments to and perfecting the mechanisms of a free an open market and a national market system and, in general, protecting investors and the public interest.

In addition, providing Members with the ability to establish multiple RPM-FIX settings and EEMs with the ability to establish multiple RPM-MEO settings provides Members with

more tools to use in managing their specific risks based on their individual risk tolerance levels. This facilitates transactions in securities because, as noted above, Members will have more confidence that protections are in place that reduce the risks from potential market events. As a result, RPM-FIX and RPM-MEO functionality, together with the mandated use by EEMs, has the potential to promote just and equitable principles of trade and contribute to the fair and orderly maintenance of the market.

4.   **Self-Regulatory Organization's Statement on Burden on Competition**

MIAX PEARL does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange believes that the amendments to RPM-FIX and RPM-MEO help promote competition by enabling Members to trade more aggressively on the Exchange, with the understanding that there are multiple, configurable risk management tools in place in the System. The Exchange believes the proposed changes will not impose any burden on intra-market competition because the use of the RPM-FIX and RPM-MEO is required of all EEMs.

The Exchange further believes that the proposed mandatory risk protections should promote inter-market competition, and result in more competitive order flow to the Exchange by protecting market participants from market events that may cause them to send a large number of orders or receive multiple, automatic executions before they can adjust their order exposure in the market.

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

No written comments were either solicited or received.

6.   **Extension of Time Period for Commission Action**

Not applicable.

7.   Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A) of the Act[16] and Rule 19b-4(f)(6)[17] 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 Exchange believes that providing the risk protection functionality to all Members for orders submitted to the Exchange is "non-controversial" and raises no new regulatory issues. The Exchange does not believe that the proposed rule change raises any novel or unique substantive issues. The proposed rule change makes the use of the RPM-FIX and RPM-MEO mandatory for EEMs, thereby further limiting an EEM's risk exposure, and makes additional risk protection settings available to all Members using RPM-FIX. The Exchange notes that this filing is substantially similar to a recent immediately effective MIAX Options filing.[18] The Exchange does not believe its proposal raises new regulatory issues. Accordingly, the Exchange believes that the proposed rule change is eligible for immediately effective treatment under the Commission's current procedures for processing rule filings.

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

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[16]   15 U.S.C. 78s(b)(3)(A).

[17]   17 CFR 240.19b-4(f)(6).

[18]   See Securities Exchange Act Release No. 79272 (November 9, 2016), 81 FR 80691 (November 16, 2016) (SR-MIAX-2016-39).

filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement. Furthermore, a proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act[19] normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)[20] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. As described above, the Exchange's proposed rule changes do not introduce any new regulatory issues, therefore the Exchange has filed this rule filing as non-controversial under Section 19(b)(3)(A) of the Act[21] and paragraph (f)(6) of Rule 19b-4 thereunder.[22]

The Exchange respectfully requests that the Commission waive the 30-day pre-operative delay pursuant to Section 19(b)(3)(A) of the Act[23] and paragraph (f)(6) of Rule 19b-4 thereunder.[24] Waiver of this requirement, specified in Rule 19b-4(f)(6),[25] will allow the Exchange to commence operations as a national exchange with these rules substantively similar to the same rules found in MIAX Options. MIAX PEARL and MIAX Options have a number of common Members and where feasible the Exchange intends to implement similar risk protections to provide consistency between markets so as to avoid confusion among Members. Additionally, similar rules will allow Members of MIAX PEARL that are also Members of MIAX Options to be prepared when MIAX PEARL commences operations.

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[19]   17 CFR 240.19b-4(f)(6).

[20]   17 CFR 240.19b-4(f)(6).

[21]   17 CFR 240.19b-4.

[22]   17 CFR 240.19b-4(f)(6).

[23]   15 U.S.C. 78s(b)(3)(A).

[24]   17 CFR 240.19b-4(f)(6).

[25]   17 CFR 240.19b-4(f)(6).

Based on the foregoing, the Exchange believes that its proposal should become immediately effective and requests that the Commission waive the 30-day pre-operative waiting period contained in Rule 19b-4(f)(6)(iii) under the Act.[26] Waiver of this requirement is consistent with the protection of investors and the public interest for the reasons described above. If such waiver is granted, the proposed rules will become operative as of February 6, 2017, which is the date the Exchange intends to commence operations.

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 Exchange notes that this filing is substantially similar to a recent immediately effective MIAX Options filing.[27] The current proposal and the MIAX Options filing both provide for the establishment of Allowable Order Rate settings and Allowable Contract Execution Rate settings. Both the current proposal and the MIAX Options filing mandate the use of the risk protections provided by the Rule. However, MIAX Options mandates the use of these settings by all Members, whereas MIAX PEARL mandates the use by EEMs only, as MIAX PEARL has other risk protection tools available to its other class of Members (Market Makers), as discussed above.

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[26]   17 CFR 240.19b-4(f)(6)(iii).

[27]   See supra note 18.

Additionally, whereas MIAX Options has a single Risk Protection Monitor Rule, 519A; MIAX PEARL has two identical Risk Protection Monitor rules to cover each connection type to the System: 519A, Risk Protection for Orders Entered via the FIX Interface ("RPM-FIX") requiring FIX Interface Allowable Order Rate settings and FIX Interface Contract Execution Rate settings; and 519B, Risk Protection for Orders Entered via the MEO Interface ("MEO-FIX") requiring MEO Interface Allowable Order Rate settings and MEO Interface Contract Execution Rate settings.

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

Not applicable.

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

Not applicable.

11.   Exhibits

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

5. Text of proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-   ; File No. SR-PEARL-2017-06)

February__, 2017

Self-Regulatory Organizations: Notice of Filing of a Proposed Rule Change by MIAX PEARL, LLC to amend Exchange Rule 519A, Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX"), and Exchange Rule 519B, Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO").

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 February 2, 2017, 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 proposes to amend Exchange Rule 519A, Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX"), and Exchange Rule 519B, Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO").

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.

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

[2]   17 CFR 240.19b-4.

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 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 Exchange Rule 519A, Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX") to make the protections provided by the Rule available to all Members[3] of the Exchange, and to make their usage mandatory for Electronic Exchange Members ("EEMs").[4] Additionally, the Exchange proposes to amend Exchange Rule 519B, Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO") to align the rule text to the proposed change to Rule 519A and to make it mandatory for EEMs using MEO to use the protections provided by the Rule.

Exchange Rule 519A. Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX")

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[3]   The term "Member" means an individual or organization that is registered with the Exchange pursuant to Chapter II of MIAX PEARL Rules for purposes of trading on the Exchange as an "Electronic Exchange Member" or ""Market Maker." Members are deemed "members under the Exchange Act. See Exchange Rule 100.

[4]   The term "Electronic Exchange Member" or "EEM" means the holder of a Trading Permit who is a Member representing as agent Public Customer Orders or Non-Customer Orders on the Exchange and those non-Market Maker Members conducting proprietary trading. Electronic Exchange Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

The Exchange proposes to amend Exchange Rule 519A, Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX") by replacing "EEM" with "Member" to make the risk protections described in the rule available to all Members of the Exchange. MIAX PEARL Members may connect to the System[5] using the FIX Order Interface and/or the MIAX Express Order ("MEO") Interface. These two connection protocols are not mutually exclusive and Members, specifically Market Makers ("MMs")[6] on the Exchange, may use MEO for providing liquidity to the Exchange via their Market Making activities; and FIX for removing liquidity from the Exchange. The Exchange seeks to provide risk protection tools to all Members using FIX, and not just EEM Members.

As proposed, RPM-FIX would provide protections to all Members by establishing a counting program that will count the number of orders entered and the number of contracts traded via an order entered during a specified time period established by the Member. The RPM-FIX Monitor would maintain one or more Member-configurable settings, allowing Members to establish FIX Interface Allowable Order Rate setting(s) and FIX Interface Allowable Contract Execution Rate setting(s). When a Member's order is entered or executed, the System would look back over the specified time period to determine if the Member had entered a number of orders exceeding their FIX Interface Allowable Order Rate setting or executed a number of contracts exceeding their FIX Interface Allowable Contract Execution Rate setting, and take action as provided by the rule.

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[5] The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

[6] The term "Market Maker" or "MM" means a Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter VI of MIAX PEARL Rules. See Exchange Rule 100.

Additionally, the Exchange proposes to harmonize the language and structure of MIAX PEARL Rule 519A, with MIAX Options Rule 519A, Risk Protection Monitor, which provides a more cohesive paragraph describing the Risk Protection Monitor feature, its functionality, the ability of Members to establish and configure multiple Risk Protection Monitor settings, and the ability of Members to determine one of three alternative actions to be taken by the Risk Protection Monitor once it is triggered. MIAX PEARL and MIAX Options have a number of common Members and where feasible the Exchange intends to implement similar behavior to provide consistency between the markets so as to avoid confusion among Members.

The Exchange also proposes to require mandatory participation by EEMs and new paragraph (b) of Rule 519A states that EEMs using the FIX Interface must establish at least one FIX Interface Allowable Order Rate setting with a corresponding specified time period of not less than one second, and not to exceed ten seconds, as established by the Exchange and communicated to Members via Regulatory Circular (a "Corresponding Specified Time Period") and at least one FIX Interface Allowable Contract Execution Rate setting (with a Corresponding Specified Time Period). The Exchange believes that establishing the Corresponding Specified Time Period within these parameters will provide minimum and maximum guidelines for EEMs, making their required use of the Risk Protection Monitor more effective and efficient.

The Risk Protection Monitor settings must be configured by the EEM such that RPM-FIX, when triggered, will perform one of two steps set forth in proposed Rule 519A(a): either (A) prevent the System from receiving any new orders in all series in all classes from the EEM; or (B) prevent the System from receiving any new orders in all series in all classes from the EEM and cancel all existing orders with a time-in-force of Day in all series in all classes from the EEM. Under the mandatory provision of proposed Rule 519A(b), the simple Member notification option included in section (C) of the proposed Rule 519A(a) would not be available.

As proposed, Rule 519A provides that Members may establish additional FIX Interface Allowable Order Rate settings and additional FIX Interface Allowable Contract Rate settings, and any such additional settings may be configured to perform the step set forth in either (A), or (B), or (C) of Rule 519A as described above, upon engagement of the RPM-FIX Monitor.

While the risk protections available under RPM-FIX are available for all Members of the Exchange, the Exchange believes that mandating one class of Member (EEMs) and not the other (MMs) to use the risk protections provided in the rule to be acceptable given the current construction of the Exchange. The Exchange does not anticipate that every Market Maker will have a FIX Order Interface connection. Further, the Exchange anticipates that Market Makers that do establish a FIX Order Interface connection will use the connection in limited circumstances, and will primarily use the MEO Interface as discussed below. Therefore, the Exchange does not believe it is necessary to require all Members with a FIX Interface connection to use the RPM-FIX Monitor.

The Exchange believes that providing Members with the ability to establish multiple RPM-FIX settings enhances the Members' ability to account for sudden market movements due to extreme market volatility, and for heightened activity in one particular option or group of options in a particular industry or segment of the market due to news or other factors affecting the activity surrounding such option or options.

Exchange Rule 519B. Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO")

The Exchange proposes to amend Exchange Rule 519B, Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO") to mandate that EEMs with a MEO Interface connection use the risk protections described in the rule. Additionally, the Exchange proposes to harmonize the rule text with the proposed changes to Rule 519A, Risk Protection

Monitor for Orders Entered via the FIX Interface ("RPM-FIX") described and contained herein as it relates to the functionality, organization, and structure of the Rule.

As proposed, RPM-MEO provides identical protections as RPM-FIX by establishing a counting program that will count the number of orders entered and the number of contracts traded via an order entered through the MEO Interface during a specified time period established by the EEM. RPM-MEO maintains one or more EEM-configurable settings, allowing EEMs to establish MEO Interface Allowable Order Rate setting(s) and MEO Interface Allowable Contract Execution Rate setting(s). When an EEM's order is entered or executed, the System will look back over the specified time period to determine if the EEM has entered a number of orders exceeding their MEO Interface Allowable Order Rate setting or executed a number of contracts exceeding their MEO Interface Allowable Contract Execution Rate setting, and take action as provided by the rule.

The Exchange believes that providing EEMs with the ability to establish multiple RPM-MEO settings enhances the EEMs' ability to account for sudden market movements due to extreme market volatility, and for heightened activity in one particular option or group of options in a particular industry or segment of the market due to news or other factors affecting the activity surrounding such option or options.

The Exchange believes that permitting one type of Member (EEMs) and not the other (MMs) to use the risk protections provided in the rule to be acceptable given the current construction of the Exchange. Market Makers have a heightened obligation on the Exchange to maintain a two-sided market, pursuant to Rule 605(d)(1), in those series in which the Market Maker has registered to trade.[7] Exchange Rule 605, Market Maker Quotations, details various requirements associated with a Market Maker's quotes, such as "Size Associated with Quotes",

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[7]   See Exchange Rule 604(a)(1).

"Firm Quotes", and "Continuous Quotes".[8] A quote on the Exchange is defined as, "[…] a bid or offer entered by a Market Maker as a firm order that updates the Market Maker's previous bid or offer, if any […]."[9] Currently, there is not a separate Market Maker quote transaction available on the Exchange. The Exchange's definition of a quote further provides that, "[w]hen the term order is used in these Rules and a bid or offer is entered by the Market Maker in the option series to which such Market Maker is registered, such order shall, as applicable, constitute a quote or quotation for purposes of these Rules."[10]

Market Makers self-assign the series for which they choose to act as a Market Maker and may register daily for these series.[11] A Market Maker could easily have an obligation to provide continuous quotes for a large number of series. To provide two-sided quotes a Market Maker will need to submit orders (as there is no separate quote transaction currently available on the Exchange) to meet its obligation. The MEO interface is designed to enable Market Makers to satisfy their obligations on the Exchange by providing a Bulk Liquidity Message which allows the Member to submit multiple messages to the System. It is not anticipated by the Exchange that a Market Maker would use the FIX Interface as its primary connection to the Exchange nor send significant order flow via the FIX Order Interface, as the FIX protocol utilized by the Exchange does not provide support for the submission of bulk messages.

A large volume of orders submitted to the Exchange could trigger RPM-MEO, therefore the Exchange believes that the use of RPM-MEO is not necessary for Market Makers, as there is a separate risk protection mechanism available to Market Makers to address this risk. The Exchange offers Risk Protection for Market Makers under Exchange Rule 517B, Aggregate Risk

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8   See Exchange Rule 605.

9   See Exchange Rule 100.

10   See Exchange Rule 100.

11   See Exchange Rule 602.

Manager for Market Makers ("ARM-M") which provides a similar counting program ("MM Counting Program") for each Market Maker who has submitted an order in an option class (an "MM Option Class") delivered via the MEO Interface (an "MM ARM Eligible Order"). The MM Counting program will count the number of contracts executed by a Market Maker from an MM ARM Eligible Order ("MM ARM Contracts") within a specified time period either established by the Market Maker or as a default setting ("MM Specified Time Period").

The Exchange provides default settings for Market Makers for both the MM Specified Time Period, which is not to exceed fifteen (15) seconds[12] and an MM Allowable Engagement Percentage.[13] Market Makers may configure these parameters to suit their risk tolerance. ARM-M protects Market Makers and assists them in managing risk by limiting the number of contracts they can execute in an option class on the Exchange within a specified time period that has been established by the Market Maker. The System will engage ARM-M in a particular MM Option Class when the MM Counting Program has determined that a Market Maker has executed during the MM Specified Time Period a number of MM ARM Contracts from an MM ARM Eligible Order equal to or above their MM Allowable Engagement Percentage. ARM-M will then, until the Market Maker sends a notification to the System of the intent to reengage and submits a new order in the MM Option Class: (i) automatically cancel the MM ARM Eligible Orders in all series of that particular MM Option Class and (ii) reject new orders by the Market Maker in all series of that particular MM Option Class submitted using the MEO Interface.

The Exchange is proposing that use of RPM-MEO be mandatory for EEMs who have a MEO

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[12]   The Exchange notes the proposed default setting will be one (1) second.

[13]   The Exchange notes the proposed default setting will be 105%.

Interface connection to the Exchange. While the Exchange does not anticipate that all EEMs will have a MEO Interface connection, the Exchange wishes to ensure that the same risk protections are provided for EEM orders irrespective of the means by which they are introduced to the System. RPM-MEO settings must be configured by the EEM in an identical fashion to RPM-FIX such that RPM-MEO, when triggered, will perform one of two steps set forth in proposed Rule 519B(a): either (A) prevent the System from receiving any new orders in all series in all classes from the EEM; or (B) prevent the System from receiving any new orders in all series in all classes from the EEM and cancel all existing orders with a time-in-force of Day in all series in all classes from the EEM. Under the mandatory provision of proposed Rule 519B(b), the simple EEM notification option included in section (C) of the proposed Rule 519B(a) would not be available. Proposed Rule 519B provides that EEMs may establish additional MEO Interface Allowable Order Rate settings and additional MEO Interface Allowable Contract Rate settings, and any such additional settings may be configured to perform the step set forth in either (A), or (B), or (C) of Rule 519B as described above, upon engagement of the RPM-MEO Monitor.

2.   Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act[14] in general, and furthers the objectives of Section 6(b)(5) of the Act[15] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed change to the functionality, organization, and language of Rule 519A, Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX") to align to MIAX Options Rule 519A, Risk Protection Monitor, better organizes the rule and clarifies the features and functionality of RPM-FIX. Aligning similar rules on MIAX PEARL and MIAX Options provides transparency and clarity in the rules and minimizes the potential for confusion, thereby protecting investors and the public interest. Additionally, aligning Rule 519B, Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO") to proposed Rule 519A provides consistency between similar Exchange rules to avoid confusion and promotes the protection of investors and the public interest.

The Exchange believes that the proposal to expand the risk protections provided in Rule 519A to all Members of the Exchange promotes just and equitable principles of trade by ensuring that all Members using FIX for order submission to the Exchange can have risk protections in place to account for sudden market movements due to extreme market volatility. The proposed rule change will help reduce the negative impacts of sudden, unanticipated

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[14]   15 U.S.C. 78f(b).

[15]   15 U.S.C. 78f(b)(5).

volatility in individual options, and serve to preserve an orderly market in a transparent and uniform manner, increase overall market confidence, and promote fair and orderly markets and further the protection of investors.

The Exchange believes that EEMs should be required to use the risk protection features provided in the proposed changes to Rule 519A and 519B to manage their risk from excessive order or execution rates that may be triggered by market events. The Exchange believes the proposal removes impediments to and perfects the mechanisms of a free and open market and a national market system and in general, protects investors and the public interest. The proposal assures Members and the investing public that RPM-FIX and RPM-MEO is active for all EEM orders submitted to the Exchange.

The Exchange believes that all Members, and not just EEMs, will benefit from the proposed changes to Rule 519A, Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX"). Additionally, the Exchange believes that EEMs will benefit from the proposed mandatory use of the Risk Protection Monitor, coupled with the ability of EEMs to tailor their use of the Risk Protection Monitor to their risk tolerance levels. Members are vulnerable to risks stemming from market events which may cause them to send a large number of orders or receive multiple, automatic executions before they can adjust their order exposure in the market. Without adequate risk management tools, such as RPM-FIX and RPM-MEO, Members could reduce the amount of order flow and liquidity that they provide to the market. Such actions may undermine the quality of the markets available to customers and other market participants. Accordingly, the proposed amendments to RPM-FIX and RPM-MEO, especially its mandated use by EEMs, should instill additional confidence in Members that submit orders to the Exchange that their risk tolerance levels are protected, and thus should encourage such Members to submit additional order flow and liquidity to the Exchange with the understanding

that they must have this protection, thereby removing impediments to and perfecting the mechanisms of a free an open market and a national market system and, in general, protecting investors and the public interest.

In addition, providing Members with the ability to establish multiple RPM-FIX settings and EEMs with the ability to establish multiple RPM-MEO settings provides Members with more tools to use in managing their specific risks based on their individual risk tolerance levels. This facilitates transactions in securities because, as noted above, Members will have more confidence that protections are in place that reduce the risks from potential market events. As a result, RPM-FIX and RPM-MEO functionality, together with the mandated use by EEMs, has the potential to promote just and equitable principles of trade and contribute to the fair and orderly maintenance of the market.

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

MIAX PEARL does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange believes that the amendments to RPM-FIX and RPM-MEO help promote competition by enabling Members to trade more aggressively on the Exchange, with the understanding that there are multiple, configurable risk management tools in place in the System. The Exchange believes the proposed changes will not impose any burden on intra-market competition because the use of the RPM-FIX and RPM-MEO is required of all EEMs.

The Exchange further believes that the proposed mandatory risk protections should promote inter-market competition, and result in more competitive order flow to the Exchange by protecting market participants from market events that may cause them to send a large number of orders or receive multiple, automatic executions before they can adjust their order exposure in the market.

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

Written comments were neither solicited nor received.

III.   <u>Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action</u>

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

IV.   <u>Solicitation of Comments</u>

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:

<u>Electronic comments</u>:

☐ Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or

☐ Send an e-mail to rule-comments@sec.gov. Please include File Number SR-PEARL-2017-06 on the subject line.

<u>Paper comments</u>:

☐ Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-PEARL-2017-06. 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-2017-06 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.[16]

Brent J. Fields
Secretary

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[16]   17 CFR 200.30-3(a)(12).

<div align="right">**EXHIBIT 5**</div>

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<div align="center">**MIAX PEARL, LLC**</div>

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Rule 519A. Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX")

(a) **Voluntary Risk Protection Functionality**. The System will maintain a counting program ("counting program") for each participating [EEM]<u>Member</u> that will count the number of orders entered and the number of contracts traded via an order entered by a[n EEM] <u>Member</u> on the Exchange via the FIX Interface within a specified time period that has been established by the [EEM]<u>Member</u> (the "specified time period"). The maximum duration of the specified time period will be established by the Exchange and announced via a Regulatory Circular. [EEMs]<u>The RPM-FIX Monitor maintains one or more Member-configurable</u> [may establish a]FIX Interface Allowable Order Rate <u>settings</u> and[/or a] FIX Interface Allowable Contract Execution Rate <u>settings</u>. When a[n EEM's] <u>Member's</u> order is entered or when an execution of a[n EEM's] <u>Member's</u> order occurs via the FIX Interface, the System will look back over the specified time period to determine <u>if the Member has:</u>[whether the order entered or the execution that occurred triggers the RPM-FIX Monitor. EEMs may establish whether the RPM-FIX Monitor, when triggered, will (i) prevent the System from receiving any new orders in all series in all classes from the EEM via the FIX Interface; or (ii) prevent the System from receiving any new orders in all series in all classes from the EEM and cancel all existing orders with a time-in-force of Day in all series in all classes from the EEM; or (iii) send a notification that the Risk Protection Monitor has been triggered without any further preventative or cancellation action by the System.

(b) The System will trigger the RPM-FIX Monitor when the counting program has determined either (i) that an EEM has] <u>(i)</u> entered during the specified time period a number of orders exceeding their FIX Interface Allowable Order Rate <u>setting(s)</u>, or (ii) [that an EEM has] executed during the specified time period a number of contracts exceeding their FIX Interface Allowable Contract Execution Rate <u>setting(s)</u>. Once engaged, the RPM-FIX Monitor will then<u>, as determined by the Member:</u> automatically either <u>(A) </u>prevent the System from receiving any new orders in all series in all classes from the [EEM]<u>Member</u> via the FIX Interface; <u>(B) prevent the System from receiving any new orders in all series in all classes from the Member </u>and cancel all existing orders with a time-in-force of Day in all series in all classes from the [EEM]<u>Member</u> via the FIX Interface<u>; or (C)</u> [(if designated by the Member's instructions), or]send a notification <u>to the Member </u>without any further preventative or cancellation action by the System. When engaged, the RPM-FIX Monitor will still allow the [EEM]<u>Member</u> to interact with existing orders entered prior to exceeding the FIX Interface Allowable Order Rate <u>setting </u>or the FIX Interface Allowable Contract Execution Rate <u>setting</u>, including sending cancel order messages and receiving trade executions from those orders via the FIX Interface. The RPM-FIX Monitor shall remain engaged until the [EEM]<u>Member</u> communicates with the Help Desk to enable the acceptance of new orders.

(b) **Mandatory Participation.** EEMs using the FIX Interface must establish at least one FIX Interface Allowable Order Rate setting, with a corresponding specified time period of not less than one second, and not to exceed ten seconds, as established by the Exchange and communicated to Members via Regulatory Circular (a "Corresponding Specified Time Period") and at least one FIX Interface Allowable Contract Execution Rate setting (with a Corresponding Specified Time Period), both of which must be configured to perform the step set forth in either (A) or (B) of subparagraph (a) of this Rule above, upon engagement of the RPM-FIX Monitor. EEMs may establish additional FIX Interface Allowable Order Rate settings and additional FIX Interface Allowable Contract Execution Rate settings, and any such additional settings may be configured to perform the step set forth in either (A), (B), or (C) of subparagraph (a) of this Rule above, upon engagement of the RPM-FIX Monitor.

Interpretations and Policies:

.01 - .04 No change

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Rule 519B. Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO")

(a) **Voluntary Risk Protection Functionality.** The System will maintain a counting program ("counting program") for each participating EEM that will count the number of orders entered and the number of contracts traded via an order entered by an EEM on the Exchange via the MEO Interface within a specified time period that has been established by the EEM (the "specified time period"). The maximum duration of the specified time period will be established by the Exchange and announced via a Regulatory Circular. The RPM-MEO Monitor maintains one or more EEM-configurable [EEMs may establish an]MEO Interface Allowable Order Rate settings and[/or an] MEO Interface Allowable Contract Execution Rate settings. When an EEM's order is entered or when an execution of an EEM's order occurs via the MEO Interface, the System will look back over the specified time period to determine if the EEM has:[whether the order entered or the execution that occurred triggers the RPM-MEO Monitor. EEMs may establish whether the RPM-MEO Monitor, when triggered, will (i) prevent the System from receiving any new orders in all series in all classes from the EEM via the MEO Interface; or (ii) prevent the System from receiving any new orders in all series in all classes from the EEM and cancel all existing orders with a time-in-force of Day in all series in all classes from the EEM; or (iii) send a notification that the Risk Protection Monitor has been triggered without any further preventative or cancellation action by the System.

(b) The System will trigger the RPM-MEO Monitor when the counting program has determined either (i) that an EEM has] (i) entered during the specified time period a number of orders exceeding their MEO Interface Allowable Order Rate setting(s), or (ii) [that an EEM has]

executed during the specified time period a number of contracts exceeding their MEO Interface Allowable Contract Execution Rate setting(s). Once engaged, the RPM-MEO Monitor will then, as determined by the EEM: automatically either (A) prevent the System from receiving any new orders in all series in all classes from the EEM via the MEO Interface; (B) prevent the System from receiving any new orders in all series in all classes from the EEM and cancel all existing orders with a time-in-force of Day in all series in all classes from the EEM via the MEO Interface; or (C) [(if designated by the Member's instructions), or]send a notification to the EEM without any further preventative or cancellation action by the System. When engaged, the RPM-MEO Monitor will still allow the EEM to interact with existing orders entered prior to exceeding the MEO Interface Allowable Order Rate setting or the MEO Interface Allowable Contract Execution Rate setting, including sending cancel order messages and receiving trade executions from those orders via the MEO Interface. The RPM-MEO Monitor shall remain engaged until the EEM communicates with the Help Desk to enable the acceptance of new orders.

(b) **Mandatory Participation.** EEMs using the MEO Interface must establish at least one MEO Interface Allowable Order Rate setting, with a corresponding specified time period of not less than one second, and not to exceed ten seconds, as established by the Exchange and communicated to Members via Regulatory Circular (a "Corresponding Specified Time Period") and at least one MEO Interface Allowable Contract Execution Rate setting (with a Corresponding Specified Time Period), both of which must be configured to perform the step set forth in either (A) or (B) of subparagraph (a) of this Rule above, upon engagement of the RPM-MEO Monitor. EEMs may establish additional MEO Interface Allowable Order Rate settings and additional MEO Interface Allowable Contract Execution Rate settings, and any such additional settings may be configured to perform the step set forth in either (A), (B), or (C) of subparagraph (a) of this Rule above, upon engagement of the RPM-MEO Monitor.

Interpretations and Policies:

.01 - .04 No change

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