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

File No. * SR 2023 - * 31
Amendment No. (req. for Amendments *)

Filing by MIAX PEARL, LLC

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

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

Pilot	Extension of Time Period for Commission Action *	Date Expires *
☐	☐	

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
☑ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to amend the MIAX Pearl Equities Fee Schedule to: 1) reduce the rebate for executions of orders in securities priced at or above $1.00 per share for Added Displayed Volume; 2) increase the fees applicable to the Remove Volume Tiers; and 3) adopt new Liquidity Indicator Codes for executions of orders in all securities that remove Retail Orders.

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 * Michael
Last Name * Slade

Title * AVP, Associate Counsel

E-mail * mslade@miami-holdings.com

Telephone * (609) 955-0460

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 07/11/2023

By Michael Slade
(Name *)

(Title *)
AVP, Associate Counsel

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

Michael Slade Date: 2023.07.11 12:04:25 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add / Remove / View SR-PEARL-2023-31 - 19b4 (revised 7	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add / Remove / View SR-PEARL-2023-31 - Exhibit 1.docx	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies * Add / Remove / View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2- Notices, Written Comments, Transcripts, Other Communications Add / Remove / View	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G. ☐ Exhibit Sent As Paper Document
Exhibit 3 - Form, Report, or Questionnaire Add / Remove / View	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change. ☐ Exhibit Sent As Paper Document
Exhibit 4 - Marked Copies Add / Remove / View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add / Remove / View SR-PEARL-2023-31 - Exhibit 5 (7-10-2	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change
Partial Amendment Add / Remove / View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

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

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

(b) 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 duly appointed designee pursuant to authority delegated by the MIAX Pearl Board of Directors on February 2, 2023. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the proposed rule change.

Questions and comments on the proposed rule changes may be directed to Michael Slade, AVP and Associate Counsel, at (609) 955-0460.

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

a. Purpose

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

2 17 CFR 240.19b-4.

The Exchange proposes to amend the Fee Schedule to: (1) reduce the rebate for executions of orders in securities priced at or above $1.00 per share that add displayed liquidity to the Exchange ("Added Displayed Volume"); (2) increase the fees applicable to the Remove Volume Tiers[3] for executions of orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange ("Removed Volume"); and (3) adopt new Liquidity Indicator Codes and for executions of orders in all securities that remove Retail Orders[4] from the Exchange (displayed and non-displayed liquidity).[5] The Exchange originally filed this proposal on June 30, 2023 (SR-PEARL-2023-29). On July 11, 2023, the Exchange withdrew SR-PEARL-2023-29 and refiled this proposal.

Proposal to Reduce the Rebate for Added Displayed Volume in Securities Priced at or above $1.00 per Share

The Exchange proposes to reduce the standard rebate for executions of orders in securities priced at or above $1.00 per share that add displayed liquidity to the Exchange. Currently, the Exchange provides a standard rebate of ($0.0029)[6] per share for executions of Added Displayed Volume in all Tapes. The Exchange now proposes to reduce the standard rebate for executions of Added Displayed Volume in securities priced at or above $1.00 per share from ($0.0029) to ($0.0027) per share for all Tapes.[7] Accordingly, the Exchange proposes

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3 See Fee Schedule, Section 1)d).

4 A "Retail Order" is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. See Exchange Rule 2626(a)(2).

5 The Exchange notes that it is not adopting new fees for these types of transactions. The Exchange proposes to adopt the new Liquidity Indicator Codes, as described below, for purposes of clarification in the Fee Schedule.

6 Rebates are indicated by parentheses. See the General Notes section of the Fee Schedule.

7 See Fee Schedule, Section 1)a), Standard Rates, for the standard pricing for executions of Added Displayed Volume, among other rates.

to amend Section 1)a), Standard Rates, to reflect this proposed change and amend Section 1)b), Liquidity Indicator Codes and Associated Fees, to reflect the corresponding changes to the applicable Liquidity Indicator Codes, AA, AB and AC. The Exchange notes that executions of orders in securities priced below $1.00 per share for Added Displayed Volume on the Exchange will continue to receive the standard rebate applicable to such executions (i.e., 0.15% of the total dollar value of the transaction).

The purpose of reducing the standard rebate for executions of Added Displayed Volume is for business and competitive reasons in light of recent volume growth on the Exchange. The Exchange notes that despite the modest reduction proposed herein, the proposed standard rebate for executions of Added Displayed Volume (i.e., ($0.0027) per share) remains higher than, and competitive with, the standard rebates provided by other exchanges for executions of orders in securities priced at or above $1.00 per share that add displayed liquidity to those exchanges.[8]

Proposal to Increase the Fees for the Remove Volume Tiers

Next, the Exchange proposes to amend Section 1)d) of the Fee Schedule to increase the fees applicable to executions of orders in securities priced at or above $1.00 per share that qualify for the reduced fees of the Exchange's Remove Volume Tiers. Currently, Section 1)d) of the Fee Schedule provides reduced fees for executions of orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange if Equity Members meet certain criteria. Equity Members that qualify for the Remove Volume Tiers are charged a lower fee of $0.00285

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8 See e.g., NYSE Arca Equities Fee Schedule, available at https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Marketplace_Fees.pdf (providing standard rebates of $0.0020 per share (Tapes A and C) and $0.0016 per share (Tape B) for adding displayed liquidity in securities priced at or above $1.00 per share); see also Cboe BZX Equities Fee Schedule, available at https://www.cboe.com/us/equities/membership/fee_schedule/bzx/ (providing a standard rebate of $0.0016 per share for adding displayed liquidity in securities priced at or above $1.00 per share).

per share in Tier 1 for executions of Removed Volume in securities priced at or above $1.00 per share and a lower fee of $0.00275 per share in Tier 2 for executions of Removed Volume in securities priced at or above $1.00 per share. To achieve the reduced fees of the Remove Volume Tiers, Equity Members must, (i) for Tier 1, achieve an average daily volume ("ADV")[9] that is equal to or greater than 0.10% of the total consolidated volume ("TCV")[10] and execute at least 1,000 shares of added liquidity during the month; and (ii) for Tier 2, achieve an ADV that is equal to or greater than 0.15% of TCV and execute at least 1,000 shares of added liquidity during the month. Equity Members that qualify for the discounted rates of the Remove Volume Tiers in a particular month will be charged the lower fee according to the threshold tier achieved instead of the standard Remove Volume fee of $0.00295 per share for executions of orders in securities priced at or above $1.00 per share in that particular month.

The Exchange now proposes to increase the fees applicable to the Remove Volume Tiers. In particular, the Exchange proposes that the fee applicable to Tier 1 of the Remove Volume Tiers will be increased from $0.00285 to $0.00290 per share and the fee applicable to Tier 2 of the Remove Volume Tiers will be increased from $0.00275 to $0.00285 per share. The Exchange does not propose to amend the calculation or criteria for achieving the reduced rates of the Remove Volume Tiers. The purpose of this change is for business and competitive reasons.

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9 "ADV" means average daily volume calculated as the number of shares added or removed, combined, per day. ADV is calculated on a monthly basis. See the Definitions Section of the Fee Schedule. The Exchange excludes from its calculation of ADV shares added or removed on any day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during regular trading hours, on any day with a scheduled early market close, and on the "Russell Reconstitution Day" (typically the last Friday in June). Routed shares are also not included in the ADV calculation. See id.

10 "TCV" means total consolidated volume calculated as the volume in shares reported by all exchanges and reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply. The Exchange excludes from its calculation of TCV volume on any given day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during Regular Trading Hours, on any day with a scheduled early market close, and on the "Russell Reconstitution Day" (typically the last Friday in June). See the Definitions Section of the Fee Schedule.

The Exchange notes that despite the modest increases proposed herein, the Exchange's fees for its Remove Volume Tiers remain competitive with the fees to remove liquidity in securities priced at or above $1.00 per share charged by other equity exchanges, including other equity exchanges that also have reduced fees for meeting certain criteria for removing liquidity.[11] The Exchange charges Equity Members a fee of 0.25% of the total dollar value of the transaction for executions of orders that remove liquidity from the Exchange in securities priced below $1.00 per share, which the Exchange does not propose to change in this proposal.

Proposal to Adopt New Liquidity Indicator Codes for Removing Retail Order Liquidity

Next, the Exchange proposes to adopt new Liquidity Indicator Codes for executions of orders in all securities that remove Retail Order liquidity[12] from the Exchange (displayed and non-displayed liquidity). The current fees for orders that remove liquidity (other than Retail Orders that remove liquidity) will continue to apply to the proposed Liquidity Indicator Codes for executions of orders in all securities that remove Retail Orders from the Exchange (displayed and non-displayed).[13] The purpose of this change is to provide additional clarity in the Fee Schedule regarding these particular types of transactions.

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11 See MEMX LLC ("MEMX") Fee Schedule, available at https://info.memxtrading.com/fee-schedule/ (providing standard remove volume fee of $0.0030 per share and reduced remove Liquidity Removal Tier fee of $0.00295 per share); see also Cboe EDGX Equities Fee Schedule, available at https://www.cboe.com/us/equities/membership/fee_schedule/edgx/ (providing a standard fee of $0.0030 per share to remove liquidity in securities priced at or above $1.00 per share, Remove Volume Tier 1 fee of $0.00285 per share and Remove Volume Tier 2 fee of $0.00275 per share to remove liquidity in securities priced at or above $1.00 per share); and Cboe BZX Equities Fee Schedule, available at https://www.cboe.com/us/equities/membership/fee_schedule/bzx/ (providing a fee of $0.0030 per share to remove liquidity in securities priced at or above $1.00 per share).

12 The Exchange notes that the proposed description in the Fee Schedule capitalizes the word "Liquidity" in the proposed new Liquidity Indicator Codes; however, the Exchange notes that this is solely for purposes of uniformity throughout the Liquidity Indicator Codes and Associated Fees table and is not meant to be a newly defined term.

13 See Fee Schedule, Section 1)a). Currently, displayed and non-displayed orders that remove liquidity (other than Retail Orders that remove liquidity) in securities at or above $1.00 per share are charged $0.00295 per share (Liquidity Indicator Codes RA, RB, RC, Ra, Rb and Rc).

The Exchange proposes to amend the Liquidity Indicator Codes and Associated Fees table in Section 1)b) of the Fee Schedule to adopt Retail Order liquidity indicator codes "RT" and "Rt," as follows:

- Add new liquidity indicator code RT, Removes Retail Order Liquidity, Displayed Order (All Tapes). The Liquidity Indicator Codes and Associated Fees table would specify that orders that yield liquidity indicator code RT would be subject to a fee $0.00295 per share in securities priced at or above $1.00 and 0.25% of the transaction's dollar value in securities priced below $1.00.
- Add new liquidity indicator code Rt, Removes Retail Order Liquidity, Non-Displayed Order (All Tapes). The Liquidity Indicator Codes and Associated Fees table would specify that orders that yield liquidity indicator code Rt would be subject to a fee of $0.00295 per share in securities priced at or above $1.00 and 0.25% of the transaction's dollar value in securities priced below $1.00.

The Exchange also proposes to add the new Liquidity Indicator Codes to the Standard Rates table in Section 1)a) of the Fee Schedule. Specifically, Liquidity indicator codes RT and Rt would be added to the "Removing Liquidity" column of the Standard Rates table. The Exchange also proposes to add the new Liquidity Indicator Codes RT and Rt to the Liquidity Indicator Codes applicable to the Remove Volume Tiers in Section 1)d) of the Fee Schedule.

The purpose of these changes is to provide greater clarity in the Fee Schedule. The Exchange believes that adding the new proposed Liquidity Indicator Codes RT and Rt to the Liquidity Indicator Codes and Associated Fees table will provide greater clarity in the Fee Schedule regarding the fees for these types of transactions, which benefits all market participants. The Exchange notes that the proposed fees for Liquidity Indicator Codes RT and Rt are the same as the current rates for removing liquidity in other types of orders that are not Retail Orders, i.e., $0.00295 per share in securities priced at or above $1.00 per share and 0.25% of the transaction's total dollar value in securities priced below $1.00 per share. The Exchange notes that the use of Liquidity Indicator Codes is not unique to the Exchange and are currently utilized and described in the fee schedules of other equity exchanges.[14]

Implementation

The proposed changes are immediately effective.

b. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act[15] in general, and furthers the objectives of Section 6(b)(4) of the Act[16] in particular, in that it is an equitable allocation of reasonable fees and other charges among its Equity Members and issuers and other persons using its facilities and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange operates in a highly fragmented and competitive market in which market participants can readily direct their order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of sixteen registered equities exchanges, and there are a number of alternative trading systems and other off-exchange venues, to which market participants may direct their order flow. As of June 23, 2023, based on publicly available information, no single registered equities exchange has more than approximately 14-17% of the total market share of executed volume of

14 See, e.g., Investors Exchange LLC ("IEX") Fee Schedule, available at https://iextrading.com/trading/fees/ and MEMX Fee Schedule, supra note 11.

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

16 15 U.S.C. 78f(b)(4).

equities trading for the month of June 2023.[17] Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow, and the Exchange represents approximately 1.90% of the overall market share as of June 23, 2023 for the month of June 2023.[18] The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and also recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[19]

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

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17 See the "Market Share" Section of the Exchange's website, available at https://www.miaxglobal.com/ (last visited June 23, 2023).

18 See id.

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

Reduce Standard Rebate for Added Displayed Volume

The Exchange believes that the proposal to reduce the standard rebate for executions of Added Displayed Volume ($0.0027) per share is reasonable, equitably allocated and not unfairly discriminatory because it represents a modest decrease from the current standard rebate for executions of Added Displayed Volume and remains competitive with the standard rebates provided by competing exchanges for orders in securities priced at or above $1.00 per share that add liquidity.[20] The Exchange believes its proposal to reduce the standard rebate for executions of Added Displayed Volume is reasonable and not unfairly discriminatory because this change is for business and competitive reasons in light of recent volume growth on the Exchange. The Exchange notes that despite the modest reduction proposed herein, the proposed standard rebate for executions of Added Displayed Volume (i.e., ($0.0027) per share) remains higher than, and competitive with, the standard rebates provided by other exchanges for executions of orders in securities priced at or above $1.00 per share that add displayed liquidity to those exchanges.[21]

The Exchange further believes that the proposed reduced standard rebate for executions of Added Displayed Volume is equitably allocated and not unfairly discriminatory because each will apply equally to all Members who are similarly situated. The Exchange also believes its proposal to amend Section 1)b), Liquidity Indicator Codes and Associated Fees, to reflect the proposed decreased rebate for Added Displayed Volume in the corresponding Liquidity Indicator Codes AA, AB and AC is reasonable because it provides uniformity and clarity in the Fee Schedule.

Increase Fees for the Remove Volume Tiers

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20 See supra note 8.

21 See id.

The Exchange believes that its proposal to increase the fees applicable to the Remove Volume Tiers is reasonable, equitably allocated and not unfairly discriminatory because, even with the proposed increase, the Remove Volume Tiers continue to provide incentives for Equity Members to strive for higher ADV on the Exchange in order to qualify for the lower fees for executions of Removed Volume. As such, with the proposed increased fees, the Exchange believes that the Remove Volume Tiers are designed to continue to encourage Equity Members to maintain their order flow directed to the Exchange, thereby contributing to a deeper and more liquid market to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue. The Exchange notes that the proposed fees for executions of Remove Volume applicable to Equity Members that qualify for one of the Remove Volume Tiers (i.e., $0.00290 or $0.00285) is comparable to, and competitive with, the fees charged for executions of liquidity-removing orders charged by competing exchanges under similar volume-based tiers.[22] The Exchange further believes the proposed increased fees for the Remove Volume Tiers is fair, equitable and not unfairly discriminatory because the Remove Volume Tiers will continue to be available to all Equity Members that meet the requisite criteria.

New Liquidity Codes for Executions of Orders that Remove Retail Order Liquidity (Displayed and Non-Displayed)

The Exchange believes its proposal to adopt two new Liquidity Indicator Codes for orders that remove Retail Order liquidity is reasonable and not unfairly discriminatory as they will apply to all Equity Members equally that submit orders to remove Retail Orders. The Exchange notes that the current fees attributed to these types of transactions is not changing with

[22] See supra note 11.

this proposal;[23] rather, the proposal provides Liquidity Indicator Codes for certain types of transactions thereby providing additional clarity in the Fee Schedule, which benefits all market participants.

The Exchange believes that adding the new proposed Liquidity Indicator Codes of RT and Rt to the Liquidity Indicator Codes and Associated Fees table will make the Fee Schedule clearer and eliminate the potential for confusion in regard to fees charged and rebates earned, thereby removing impediments to, and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest. Further, as noted above, this practice is consistent with the pricing practices of other exchanges.[24]

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

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

The Exchange believes that the proposed change will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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23 See Securities Exchange Act Release Nos. 97124 (March 13, 2023), 88 FR 16504 (March 17, 2023) (SR-PEARL-2023-10); 97308 (April 13, 2023), 88 FR 24249 (April 19, 2023) (SR-PEARL-2023-16).

24 See supra note 11.

Intramarket Competition

The Exchange believes that its proposal to reduce the standard rebate for Added Displayed Volume for executions of orders in securities priced at or above $1.00 per share will not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes its proposal to reduce the standard rebate for executions of Added Displayed Volume will not impose any burden on intramarket competition that is not necessary or appropriate because this change is for business and competitive reasons in light of recent volume growth on the Exchange. The Exchange notes that despite the modest reduction proposed herein, the proposed standard rebate for executions of Added Displayed Volume (i.e., ($0.0027) per share) remains higher than, and competitive with, the standard rebates provided by other exchanges for executions of orders in securities priced at or above $1.00 per share that add displayed liquidity to those exchanges.[25]

The Exchange believes that, even with the proposed decrease to the standard Added Displayed Volume rebate, the Exchange's standard rebate for such orders will continue to incentivize market participants to direct order flow to the Exchange, thereby contributing to a deeper and more liquid market to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue. The Exchange believes that this, in turn, will continue to encourage market participants to direct additional Added Displayed Volume in securities priced at or above $1.00 per share to the Exchange. Greater liquidity benefits all Equity Members by providing more trading opportunities and encourages Equity Members to send orders to the Exchange, thereby contributing to robust levels of liquidity, which benefits all market participants.

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[25] See supra note 8.

The Exchange believes that its proposal to increase the fees for the Remove Volume Tiers will not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The opportunity to qualify for the Remove Volume Tiers, and thus receive the proposed lower fees for executions of Removed Volume, will continue to be available to all Equity Members that meet the associated requirements in any month. The Exchange believes that meeting the volume requirements of the Remove Volume Tiers will continue to be attainable for market participants, as the Exchange believes the thresholds are relatively low and reasonably related to the enhanced liquidity and market quality that the Remove Volume Tiers are designed to promote. The Exchange notes that it does not propose to change the volume requirements for the Remove Volume Tiers pursuant to this proposal. Even with the modest increase proposed herein, the Exchange's fees for its Remove Volume Tiers will remain competitive with the fees to remove liquidity in securities priced at or above $1.00 per share charged by other equity exchanges.[26]

The Exchange believes that the proposed change to adopt new Liquidity Indicator Codes for executions of orders in all securities that remove Retail Orders from the Exchange (displayed and non-displayed liquidity) will not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the new Liquidity Indicator Codes RT and Rt will provide additional clarity in the Fee Schedule, which benefits all market participants. The use of Liquidity Indicator Codes is not new or novel as they are used on other equity exchanges.[27] Additionally, the proposed new Liquidity Indicator Codes will be applied equally to all Equity Members that submit orders to remove Retail Orders

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26 See supra note 11.

27 See supra note 14.

and the new Liquidity Indicator Codes of RT and Rt will provide additional specificity in the Fee Schedule so that Equity Members may connect an execution to the applicable fee. As such, the Exchange believes the proposed changes would not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intermarket Competition

The Exchange believes the proposed changes will benefit competition as the Exchange operates in a highly competitive market. Equity Members have numerous alternative venues that they may participate on and direct their order flow to, including fifteen other equities exchanges and numerous alternative trading systems and other off-exchange venues. As noted above, no single registered equities exchange currently has more than approximately 14-17% of the total market share of executed volume of equities trading. Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. Moreover, the Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow in response to new or different pricing structures being introduced to the market. Accordingly, competitive forces constrain the Exchange’s transaction fees and rebates generally, including with respect to Added Displayed Volume, orders to remove Retail Order liquidity, and Removed Volume, as market participants can readily choose to send their orders to other exchanges and off-exchange venues if they deem fee levels at those other venues to be more favorable. As described above, the proposed changes are competitive proposals through which the Exchange is seeking to encourage certain order flow to the Exchange and to promote market quality through pricing incentives that are similar in structure and purpose to pricing programs at other Exchanges.[28] Accordingly, the Exchange believes the proposal would not burden, but rather promote, intermarket competition by enabling it to better compete with other exchanges that offer similar incentives to market participants that enhance market quality.

Additionally, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[29] The fact that this market is competitive has also long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. circuit stated: "[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possess a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers' . . .".[30] Accordingly, the Exchange does not believe its proposed pricing changes impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

No written comments were either solicited or received.

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28 See supra notes 8 and 11.

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

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

6. Extension of Time Period for Commission Action

Not applicable.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,[31] and Rule 19b-4(f)(2) thereunder[32] the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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

Not applicable.

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

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

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31 15 U.S.C. 78s(b)(3)(A)(ii).

32 17 CFR 240.19b-4.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-PEARL-2023-31)

July__, 2023

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

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on July____2023, MIAX PEARL, LLC ("MIAX Pearl" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

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

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified

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

2 17 CFR 240.19b-4.

in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend the Fee Schedule to: (1) reduce the rebate for executions of orders in securities priced at or above $1.00 per share that add displayed liquidity to the Exchange ("Added Displayed Volume"); (2) increase the fees applicable to the Remove Volume Tiers[3] for executions of orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange ("Removed Volume"); and (3) adopt new Liquidity Indicator Codes and for executions of orders in all securities that remove Retail Orders[4] from the Exchange (displayed and non-displayed liquidity).[5] The Exchange originally filed this proposal on June 30, 2023 (SR-PEARL-2023-29). On July 11, 2023, the Exchange withdrew SR-PEARL-2023-29 and refiled this proposal.

Proposal to Reduce the Rebate for Added Displayed Volume in Securities Priced at or above $1.00 per Share

The Exchange proposes to reduce the standard rebate for executions of orders in securities priced at or above $1.00 per share that add displayed liquidity to the Exchange. Currently, the Exchange provides a standard rebate of ($0.0029)[6] per share for executions of

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3 See Fee Schedule, Section 1)d).

4 A "Retail Order" is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. See Exchange Rule 2626(a)(2).

5 The Exchange notes that it is not adopting new fees for these types of transactions. The Exchange proposes to adopt the new Liquidity Indicator Codes, as described below, for purposes of clarification in the Fee Schedule.

6 Rebates are indicated by parentheses. See the General Notes section of the Fee Schedule.

Added Displayed Volume in all Tapes. The Exchange now proposes to reduce the standard rebate for executions of Added Displayed Volume in securities priced at or above $1.00 per share from ($0.0029) to ($0.0027) per share for all Tapes.[7] Accordingly, the Exchange proposes to amend Section 1)a), Standard Rates, to reflect this proposed change and amend Section 1)b), Liquidity Indicator Codes and Associated Fees, to reflect the corresponding changes to the applicable Liquidity Indicator Codes, AA, AB and AC. The Exchange notes that executions of orders in securities priced below $1.00 per share for Added Displayed Volume on the Exchange will continue to receive the standard rebate applicable to such executions (i.e., 0.15% of the total dollar value of the transaction).

The purpose of reducing the standard rebate for executions of Added Displayed Volume is for business and competitive reasons in light of recent volume growth on the Exchange. The Exchange notes that despite the modest reduction proposed herein, the proposed standard rebate for executions of Added Displayed Volume (i.e., ($0.0027) per share) remains higher than, and competitive with, the standard rebates provided by other exchanges for executions of orders in securities priced at or above $1.00 per share that add displayed liquidity to those exchanges.[8]

<u>Proposal to Increase the Fees for the Remove Volume Tiers</u>

Next, the Exchange proposes to amend Section 1)d) of the Fee Schedule to increase the fees applicable to executions of orders in securities priced at or above $1.00 per share that qualify for the reduced fees of the Exchange's Remove Volume Tiers. Currently, Section 1)d) of

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7 <u>See</u> Fee Schedule, Section 1)a), Standard Rates, for the standard pricing for executions of Added Displayed Volume, among other rates.

8 <u>See</u> <u>e.g.</u>, NYSE Arca Equities Fee Schedule, <u>available</u> <u>at</u> https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Marketplace_Fees.pdf (providing standard rebates of $0.0020 per share (Tapes A and C) and $0.0016 per share (Tape B) for adding displayed liquidity in securities priced at or above $1.00 per share); <u>see</u> <u>also</u> Cboe BZX Equities Fee Schedule, <u>available</u> <u>at</u> https://www.cboe.com/us/equities/membership/fee_schedule/bzx/ (providing a standard rebate of $0.0016 per share for adding displayed liquidity in securities priced at or above $1.00 per share).

the Fee Schedule provides reduced fees for executions of orders in securities priced at or above $1.00 per share that remove liquidity from the Exchange if Equity Members meet certain criteria. Equity Members that qualify for the Remove Volume Tiers are charged a lower fee of $0.00285 per share in Tier 1 for executions of Removed Volume in securities priced at or above $1.00 per share and a lower fee of $0.00275 per share in Tier 2 for executions of Removed Volume in securities priced at or above $1.00 per share. To achieve the reduced fees of the Remove Volume Tiers, Equity Members must, (i) for Tier 1, achieve an average daily volume ("ADV")[9] that is equal to or greater than 0.10% of the total consolidated volume ("TCV")[10] and execute at least 1,000 shares of added liquidity during the month; and (ii) for Tier 2, achieve an ADV that is equal to or greater than 0.15% of TCV and execute at least 1,000 shares of added liquidity during the month. Equity Members that qualify for the discounted rates of the Remove Volume Tiers in a particular month will be charged the lower fee according to the threshold tier achieved instead of the standard Remove Volume fee of $0.00295 per share for executions of orders in securities priced at or above $1.00 per share in that particular month.

The Exchange now proposes to increase the fees applicable to the Remove Volume Tiers. In particular, the Exchange proposes that the fee applicable to Tier 1 of the Remove Volume Tiers will be increased from $0.00285 to $0.00290 per share and the fee applicable to Tier 2 of the Remove Volume Tiers will be increased from $0.00275 to $0.00285 per share. The

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9 "ADV" means average daily volume calculated as the number of shares added or removed, combined, per day. ADV is calculated on a monthly basis. See the Definitions Section of the Fee Schedule. The Exchange excludes from its calculation of ADV shares added or removed on any day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during regular trading hours, on any day with a scheduled early market close, and on the "Russell Reconstitution Day" (typically the last Friday in June). Routed shares are also not included in the ADV calculation. See id.

10 "TCV" means total consolidated volume calculated as the volume in shares reported by all exchanges and reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply. The Exchange excludes from its calculation of TCV volume on any given day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during Regular Trading Hours, on any day with a scheduled early market close, and on the "Russell Reconstitution Day" (typically the last Friday in June). See the Definitions Section of the Fee Schedule.

Exchange does not propose to amend the calculation or criteria for achieving the reduced rates of the Remove Volume Tiers. The purpose of this change is for business and competitive reasons. The Exchange notes that despite the modest increases proposed herein, the Exchange's fees for its Remove Volume Tiers remain competitive with the fees to remove liquidity in securities priced at or above $1.00 per share charged by other equity exchanges, including other equity exchanges that also have reduced fees for meeting certain criteria for removing liquidity.[11] The Exchange charges Equity Members a fee of 0.25% of the total dollar value of the transaction for executions of orders that remove liquidity from the Exchange in securities priced below $1.00 per share, which the Exchange does not propose to change in this proposal.

Proposal to Adopt New Liquidity Indicator Codes for Removing Retail Order Liquidity

Next, the Exchange proposes to adopt new Liquidity Indicator Codes for executions of orders in all securities that remove Retail Order liquidity[12] from the Exchange (displayed and non-displayed liquidity). The current fees for orders that remove liquidity (other than Retail Orders that remove liquidity) will continue to apply to the proposed Liquidity Indicator Codes for executions of orders in all securities that remove Retail Orders from the Exchange (displayed

[11] See MEMX LLC ("MEMX") Fee Schedule, available at https://info.memxtrading.com/fee-schedule/ (providing standard remove volume fee of $0.0030 per share and reduced remove Liquidity Removal Tier fee of $0.00295 per share); see also Cboe EDGX Equities Fee Schedule, available at https://www.cboe.com/us/equities/membership/fee_schedule/edgx/ (providing a standard fee of $0.0030 per share to remove liquidity in securities priced at or above $1.00 per share, Remove Volume Tier 1 fee of $0.00285 per share and Remove Volume Tier 2 fee of $0.00275 per share to remove liquidity in securities priced at or above $1.00 per share); and Cboe BZX Equities Fee Schedule, available at https://www.cboe.com/us/equities/membership/fee_schedule/bzx/ (providing a fee of $0.0030 per share to remove liquidity in securities priced at or above $1.00 per share).

[12] The Exchange notes that the proposed description in the Fee Schedule capitalizes the word "Liquidity" in the proposed new Liquidity Indicator Codes; however, the Exchange notes that this is solely for purposes of uniformity throughout the Liquidity Indicator Codes and Associated Fees table and is not meant to be a newly defined term.

and non-displayed).[13] The purpose of this change is to provide additional clarity in the Fee Schedule regarding these particular types of transactions.

The Exchange proposes to amend the Liquidity Indicator Codes and Associated Fees table in Section 1)b) of the Fee Schedule to adopt Retail Order liquidity indicator codes “RT” and “Rt,” as follows:

- Add new liquidity indicator code RT, Removes Retail Order Liquidity, Displayed Order (All Tapes). The Liquidity Indicator Codes and Associated Fees table would specify that orders that yield liquidity indicator code RT would be subject to a fee $0.00295 per share in securities priced at or above $1.00 and 0.25% of the transaction’s dollar value in securities priced below $1.00.
- Add new liquidity indicator code Rt, Removes Retail Order Liquidity, Non-Displayed Order (All Tapes). The Liquidity Indicator Codes and Associated Fees table would specify that orders that yield liquidity indicator code Rt would be subject to a fee of $0.00295 per share in securities priced at or above $1.00 and 0.25% of the transaction’s dollar value in securities priced below $1.00.

The Exchange also proposes to add the new Liquidity Indicator Codes to the Standard Rates table in Section 1)a) of the Fee Schedule. Specifically, Liquidity indicator codes RT and Rt would be added to the “Removing Liquidity” column of the Standard Rates table. The Exchange also proposes to add the new Liquidity Indicator Codes RT and Rt to the Liquidity Indicator Codes applicable to the Remove Volume Tiers in Section 1)d) of the Fee Schedule.

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13 See Fee Schedule, Section 1)a). Currently, displayed and non-displayed orders that remove liquidity (other than Retail Orders that remove liquidity) in securities at or above $1.00 per share are charged $0.00295 per share (Liquidity Indicator Codes RA, RB, RC, Ra, Rb and Rc).

The purpose of these changes is to provide greater clarity in the Fee Schedule. The Exchange believes that adding the new proposed Liquidity Indicator Codes RT and Rt to the Liquidity Indicator Codes and Associated Fees table will provide greater clarity in the Fee Schedule regarding the fees for these types of transactions, which benefits all market participants. The Exchange notes that the proposed fees for Liquidity Indicator Codes RT and Rt are the same as the current rates for removing liquidity in other types of orders that are not Retail Orders, i.e., $0.00295 per share in securities priced at or above $1.00 per share and 0.25% of the transaction's total dollar value in securities priced below $1.00 per share. The Exchange notes that the use of Liquidity Indicator Codes is not unique to the Exchange and are currently utilized and described in the fee schedules of other equity exchanges.[14]

Implementation

The proposed changes are immediately effective.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act[15] in general, and furthers the objectives of Section 6(b)(4) of the Act[16] in particular, in that it is an equitable allocation of reasonable fees and other charges among its Equity Members and issuers and other persons using its facilities and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange operates in a highly fragmented and competitive market in which market participants can readily direct their order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange

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14 See, e.g., Investors Exchange LLC ("IEX") Fee Schedule, available at https://iextrading.com/trading/fees/ and MEMX Fee Schedule, supra note 11.

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

16 15 U.S.C. 78f(b)(4).

is only one of sixteen registered equities exchanges, and there are a number of alternative trading systems and other off-exchange venues, to which market participants may direct their order flow. As of June 23, 2023, based on publicly available information, no single registered equities exchange has more than approximately 14-17% of the total market share of executed volume of equities trading for the month of June 2023.[17] Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow, and the Exchange represents approximately 1.90% of the overall market share as of June 23, 2023 for the month of June 2023.[18] The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and also recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[19]

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

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17 See the "Market Share" Section of the Exchange's website, available at https://www.miaxglobal.com/ (last visited June 23, 2023).

18 See id.

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

participants to direct additional orders that add liquidity to the Exchange, which the Exchange believes would deepen liquidity and promote market quality on the Exchange to the benefit of all market participants.

Reduce Standard Rebate for Added Displayed Volume

The Exchange believes that the proposal to reduce the standard rebate for executions of Added Displayed Volume ($0.0027) per share is reasonable, equitably allocated and not unfairly discriminatory because it represents a modest decrease from the current standard rebate for executions of Added Displayed Volume and remains competitive with the standard rebates provided by competing exchanges for orders in securities priced at or above $1.00 per share that add liquidity.[20] The Exchange believes its proposal to reduce the standard rebate for executions of Added Displayed Volume is reasonable and not unfairly discriminatory because this change is for business and competitive reasons in light of recent volume growth on the Exchange. The Exchange notes that despite the modest reduction proposed herein, the proposed standard rebate for executions of Added Displayed Volume (i.e., ($0.0027) per share) remains higher than, and competitive with, the standard rebates provided by other exchanges for executions of orders in securities priced at or above $1.00 per share that add displayed liquidity to those exchanges.[21]

The Exchange further believes that the proposed reduced standard rebate for executions of Added Displayed Volume is equitably allocated and not unfairly discriminatory because each will apply equally to all Members who are similarly situated. The Exchange also believes its proposal to amend Section 1)b), Liquidity Indicator Codes and Associated Fees, to reflect the proposed decreased rebate for Added Displayed Volume in the corresponding Liquidity Indicator

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20 See supra note 8.

21 See id.

Codes AA, AB and AC is reasonable because it provides uniformity and clarity in the Fee Schedule.

Increase Fees for the Remove Volume Tiers

The Exchange believes that its proposal to increase the fees applicable to the Remove Volume Tiers is reasonable, equitably allocated and not unfairly discriminatory because, even with the proposed increase, the Remove Volume Tiers continue to provide incentives for Equity Members to strive for higher ADV on the Exchange in order to qualify for the lower fees for executions of Removed Volume. As such, with the proposed increased fees, the Exchange believes that the Remove Volume Tiers are designed to continue to encourage Equity Members to maintain their order flow directed to the Exchange, thereby contributing to a deeper and more liquid market to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue. The Exchange notes that the proposed fees for executions of Remove Volume applicable to Equity Members that qualify for one of the Remove Volume Tiers (i.e., $0.00290 or $0.00285) is comparable to, and competitive with, the fees charged for executions of liquidity-removing orders charged by competing exchanges under similar volume-based tiers.[22] The Exchange further believes the proposed increased fees for the Remove Volume Tiers is fair, equitable and not unfairly discriminatory because the Remove Volume Tiers will continue to be available to all Equity Members that meet the requisite criteria.

New Liquidity Codes for Executions of Orders that Remove Retail Order Liquidity (Displayed and Non-Displayed)

The Exchange believes its proposal to adopt two new Liquidity Indicator Codes for orders that remove Retail Order liquidity is reasonable and not unfairly discriminatory as they will apply to all Equity Members equally that submit orders to remove Retail Orders. The

[22] See supra note 11.

Exchange notes that the current fees attributed to these types of transactions is not changing with this proposal;[23] rather, the proposal provides Liquidity Indicator Codes for certain types of transactions thereby providing additional clarity in the Fee Schedule, which benefits all market participants.

The Exchange believes that adding the new proposed Liquidity Indicator Codes of RT and Rt to the Liquidity Indicator Codes and Associated Fees table will make the Fee Schedule clearer and eliminate the potential for confusion in regard to fees charged and rebates earned, thereby removing impediments to, and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest. Further, as noted above, this practice is consistent with the pricing practices of other exchanges.[24]

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

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

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[23] See Securities Exchange Act Release Nos. 97124 (March 13, 2023), 88 FR 16504 (March 17, 2023) (SR-PEARL-2023-10); 97308 (April 13, 2023), 88 FR 24249 (April 19, 2023) (SR-PEARL-2023-16).

[24] See supra note 11.

The Exchange believes that the proposed change will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition

The Exchange believes that its proposal to reduce the standard rebate for Added Displayed Volume for executions of orders in securities priced at or above $1.00 per share will not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes its proposal to reduce the standard rebate for executions of Added Displayed Volume will not impose any burden on intramarket competition that is not necessary or appropriate because this change is for business and competitive reasons in light of recent volume growth on the Exchange. The Exchange notes that despite the modest reduction proposed herein, the proposed standard rebate for executions of Added Displayed Volume (i.e., ($0.0027) per share) remains higher than, and competitive with, the standard rebates provided by other exchanges for executions of orders in securities priced at or above $1.00 per share that add displayed liquidity to those exchanges.[25]

The Exchange believes that, even with the proposed decrease to the standard Added Displayed Volume rebate, the Exchange's standard rebate for such orders will continue to incentivize market participants to direct order flow to the Exchange, thereby contributing to a deeper and more liquid market to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue. The Exchange believes that this, in turn, will continue to encourage market participants to direct additional Added Displayed Volume in securities priced at or above $1.00 per share to the Exchange. Greater liquidity benefits all Equity Members by providing more trading opportunities and encourages Equity Members to

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[25] See supra note 8.

send orders to the Exchange, thereby contributing to robust levels of liquidity, which benefits all market participants.

The Exchange believes that its proposal to increase the fees for the Remove Volume Tiers will not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The opportunity to qualify for the Remove Volume Tiers, and thus receive the proposed lower fees for executions of Removed Volume, will continue to be available to all Equity Members that meet the associated requirements in any month. The Exchange believes that meeting the volume requirements of the Remove Volume Tiers will continue to be attainable for market participants, as the Exchange believes the thresholds are relatively low and reasonably related to the enhanced liquidity and market quality that the Remove Volume Tiers are designed to promote. The Exchange notes that it does not propose to change the volume requirements for the Remove Volume Tiers pursuant to this proposal. Even with the modest increase proposed herein, the Exchange's fees for its Remove Volume Tiers will remain competitive with the fees to remove liquidity in securities priced at or above $1.00 per share charged by other equity exchanges.[26]

The Exchange believes that the proposed change to adopt new Liquidity Indicator Codes for executions of orders in all securities that remove Retail Orders from the Exchange (displayed and non-displayed liquidity) will not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the new Liquidity Indicator Codes RT and Rt will provide additional clarity in the Fee Schedule, which benefits all market participants. The use of Liquidity Indicator Codes is not new or novel as they are used on other equity exchanges.[27] Additionally, the proposed new Liquidity Indicator

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26 See supra note 11.

27 See supra note 14.

Codes will be applied equally to all Equity Members that submit orders to remove Retail Orders and the new Liquidity Indicator Codes of RT and Rt will provide additional specificity in the Fee Schedule so that Equity Members may connect an execution to the applicable fee. As such, the Exchange believes the proposed changes would not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intermarket Competition

The Exchange believes the proposed changes will benefit competition as the Exchange operates in a highly competitive market. Equity Members have numerous alternative venues that they may participate on and direct their order flow to, including fifteen other equities exchanges and numerous alternative trading systems and other off-exchange venues. As noted above, no single registered equities exchange currently has more than approximately 14-17% of the total market share of executed volume of equities trading. Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. Moreover, the Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow in response to new or different pricing structures being introduced to the market. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates generally, including with respect to Added Displayed Volume, orders to remove Retail Order liquidity, and Removed Volume, as market participants can readily choose to send their orders to other exchanges and off-exchange venues if they deem fee levels at those other venues to be more favorable. As described above, the proposed changes are competitive proposals through which the Exchange is seeking to encourage certain order flow to the Exchange and to promote market quality through pricing incentives that are similar in structure and purpose to pricing programs at other Exchanges.[28] Accordingly, the Exchange believes the proposal would not burden, but rather promote, intermarket competition by enabling it to better compete with other exchanges that offer similar incentives to market participants that enhance market quality.

Additionally, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[29] The fact that this market is competitive has also long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. circuit stated: "[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possess a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers' . . .".[30] Accordingly, the Exchange does not believe its proposed pricing changes impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments were neither solicited nor received.

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28 See supra notes 8 and 11.

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

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act,[31] and Rule 19b-4(f)(2)[32] 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 (https://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-PEARL-2023-31 on the subject line.

Paper comments:

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

All submissions should refer to file number SR-PEARL-2023-31. This file number should be included on the subject line if email is used. To help the Commission process and

31 15 U.S.C. 78s(b)(3)(A)(ii).

32 17 CFR 240.19b-4(f)(2).

review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (https://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-PEARL-2023-31 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[33]

Sherry R. Haywood,

Assistant Secretary.

[33] 17 CFR 200.30-3(a)(12).

Exhibit 5

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

MIAX Pearl Equities Exchange Fee Schedule

* * * * *

1) Transaction Rebates/Fees

a) Standard Rates

Category	Adding Liquidity Displayed Order	Adding Liquidity Non-Displayed Order	Removing Liquidity	Routing and Removing Liquidity	Opening or Re-Opening Process
Securities at or above $1.00	Tapes A, B, and C [($0.0029)] ($0.0027)	No change	No change	No change	No change
Securities below $1.00	No change	No change	No change	No change	No change
Standard Liquidity Indicator Codes	No change	No change	RA, Ra, RB, Rb, RC, Rc, Rp, RR, Rr, RT, Rt	No change	No change

b) Liquidity Indicator Codes and Associated Fees

Liquidity Indicator Code	Description	Fee/(Rebate) Securities Priced at or Above $1.00	Fee/(Rebate) Securities Priced Below $1.00
AA	Adds Liquidity, Displayed Order (Tape A)	[($0.0029)]($0.0027)	No change
AB	Adds Liquidity, Displayed Order (Tape B)	[($0.0029)]($0.0027)	No change
AC	Adds Liquidity, Displayed Order (Tape C)	[($0.0029)]($0.0027)	No change
* * * * *			
RR	Retail Order, Removes Liquidity, Displayed Order (All Tapes)	No change	No change
RT	Removes Retail Order Liquidity, Displayed Order (All Tapes)	$0.00295	0.25% of Dollar Value
Ra	Removes Liquidity, Non-Displayed Order (Tape A)	No change	No change
* * * * *			
Rr	Retail Order, Removes Liquidity, Non-Displayed Order (All Tapes)	No change	No change
Rt	Removes Retail Order Liquidity, Non-Displayed Order (All Tapes)	$0.00295	0.25% of Dollar Value

Liquidity Indicator Code	Description	Fee/(Rebate) Securities Priced at or Above $1.00	Fee/(Rebate) Securities Priced Below $1.00
X	Routed	No change	No change
	* * * * *		

c) No change

* * * * *

d) Remove Volume Tiers

Tier	Required Criteria	Securities Priced at or Above $1.00
1	ADV ≥ 0.10% of TCV and ≥1,000 shares of added liquidity	[$0.00285]$0.00290
2	ADV ≥ 0.15% of TCV and ≥1,000 shares of added liquidity	[$0.00275]$0.00285

The fees provided for by the above table are applicable to the following fee codes: RA, RB, RC, RR, RT, Ra, Rb, Rc, [and]Rr, and Rt.

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