

Required fields are shown with yellow backgrounds and asterisks.

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) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

Description

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

Amend Exchange Rule 519C

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 12/15/2017 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.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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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 *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, 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

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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

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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

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) MIAX PEARL, LLC (“MIAX PEARL” or “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 Exchange Rule 519C, Mass Cancellation of Trading Interest, and also to amend its Fee Schedule to identify the new MEO Purge Ports.

Notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. The text of the proposed rule change to Exchange Rule 519C is attached hereto as Exhibit 5A. The text of the proposed rule change to the Fee Schedule is attached hereto as Exhibit 5B.

(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.

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 offer Members³ that connect to the Exchange using the MIAX Express Orders interface (“MEO Interface”)⁴ a new type of connection port, named MEO Purge Port, to be used as a dedicated port for sending purge messages to the Exchange. The Exchange also proposes to amend its Fee Schedule to identify the new MEO Purge Port. Finally, the Exchange proposes to amend Exchange Rule 519C, Mass Cancellation of Trading Interest, to adopt new rule text to reflect the proposed MEO Purge Port functionality, as well as to make clarifying changes to existing rule text to more accurately describe current functionality.

Members connect to the Exchange’s System⁵ via their assigned MEO ports. Currently, the Exchange offers Members three different types of MEO port connections. The first is a Full Service MEO Port - Bulk⁶ which supports all MEO input message types and binary bulk order entry; the second is a Full Service MEO Port - Single⁷ which supports all MEO input messages and binary order entry on a single order-by-order basis, but not bulk orders; the third is a Limited

³ The term “Member” means an individual or organization that is registered with the Exchange pursuant to Chapter II of the 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 “MEO Interface” means a binary order interface used for submitting certain order types (as set forth in Rule 516) to the MIAX PEARL System. 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.

⁶ See MIAX PEARL Fee Schedule, Definitions.

⁷ See MIAX PEARL Fee Schedule, Definitions.

Service MEO Port⁸ which supports all MEO input message types, but does not support bulk order entry and only supports limited order types, as specified by the Exchange via Regulatory Circular. The Exchange limits Members to two (2) Full Service MEO Ports of either type per Matching Engine⁹ and allows up to eight (8) Limited Service MEO Ports per Matching Engine.¹⁰

The proposed MEO Purge Ports are a new, optional type of MEO port dedicated solely to handling purge messages which would enable a Member, by MPID,¹¹ to (i) remove all or a subset of its quotations¹² in the System and (ii) block all or a subset of new inbound quotations from being received;¹³ or cancel all of its MEO Day orders¹⁴ in the System and block all new

⁸ See MIA X PEARL Fee Schedule, Definitions.

⁹ “Matching Engine” is a part of the MIA X PEARL electronic system that processes options orders and trades on a symbol-by-symbol basis. Some Matching Engines will process option classes with multiple root symbols, and other Matching Engines may be dedicated to one single option root symbol (for example, options on SPY may be processed by one single Matching Engine that is dedicated only to SPY). A particular root symbol may only be assigned to a single designated Matching Engine. A particular root symbol may not be assigned to multiple Matching Engines. See MIA X PEARL Fee Schedule, Definitions.

¹⁰ See MIA X PEARL Fee Schedule, Section 5)d).

¹¹ The term “MPID” means unique market participant identifier. See Exchange Rule 100.

¹² The term “quote” or “quotation” means 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. When 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 for purposes of MIA X PEARL Rules. See Exchange Rule 100.

¹³ A Member currently has the ability to send a purge message to remove all or a subset of its quotations and block all or a subset of its new inbound quotations via its MEO port or by request to the Exchange’s Help Desk. That ability is not changing with this proposal. What is changing with this proposal is the ability of a Member to send that purge message via the proposed MEO Purge Ports.

¹⁴ This would include both Day Limit Orders and Post-Only Orders entered via the MEO interface. A Day Limit Order is an order to buy or sell which, if not executed, expires at the end of the trading in the security on the day on which it was entered. See Exchange Rule 516(h). Post-Only Orders are orders that will not remove liquidity from the Book. See Exchange Rule 516(j).

inbound MEO Day orders from being received by MPID.¹⁵ Sending a purge message to cancel and block MEO Day orders will not cancel or block MEO immediate-or-cancel (“IOC”) orders.¹⁶ MEO IOC orders allow Members to continue to provide targeted liquidity to the market and to interact with Public Customer¹⁷ orders. When quotes have been purged as described above, the block will remain in effect until the Member requests that the Exchange remove the block.

The purge messages described above may be sent via any type of MEO port, however, purge messages received on the proposed MEO Purge Ports will be handled by the System in a way that ensures minimum possible latency (as MEO Purge Ports solely process purge messages, as opposed to Full Service MEO Ports – Bulk, Full Service MEO Ports – Single, and Limited Service MEO Ports, which also process additional message types), thereby providing Members with a faster, more efficient means to have their quotes removed from the System, which will provide Members with an enhanced level of risk protection.

The proposed MEO Purge Ports are designed to assist Members in the management of, and risk control over, their orders, particularly if the Member has resting orders in a large number of options. For example, if a Member detects market indications that may influence the direction or bias of its orders, the Member may use the proposed MEO Purge Ports to reduce uncertainty and to manage risk by purging all orders in a number of options seamlessly to avoid unintended executions, while continuing to evaluate the direction of the market.

¹⁵ The Exchange is introducing a new purge message that will cancel all of a Member’s MEO Day orders and block all of its new inbound MEO Day orders. This request may only be sent electronically via a Member’s existing MEO port, or via the new proposed MEO Purge Ports.

¹⁶ An immediate-or-cancel order is an order that is to be executed in whole or in part upon receipt. Any portion not so executed is canceled. See Exchange Rule 516(e).

¹⁷ The term “Public Customer” means a person that is not a broker or dealer in securities. See Exchange Rule 100.

The Exchange also proposes to amend Section 5)d) of its Fee Schedule to identify the new MEO Purge Ports. Members are allocated two (2) Full Service MEO Ports of either type and up to eight (8) Limited Service MEO Ports per Matching Engine to which they connect.¹⁸ The Exchange currently waives monthly MEO Port fees for all Members and will similarly waive MEO Purge Port fees until such time as the Exchange submits a rule filing to the Commission¹⁹ to establish the fee amount, and any related requirements, and provides notice to expire the applicable Waiver Period.²⁰

With the introduction of MEO Purge Ports, the Exchange proposes to amend Section 5)d) of its Fee Schedule to provide that a Member may request and be allocated two (2) MEO Purge Ports per Matching Engine to which it connects via a Full Service MEO Port. Specifically, a Member must have either a Full Service MEO Port – Bulk, or a Full Service MEO Port – Single connection to a Matching Engine in order to be eligible to receive MEO Purge Ports with respect to that Matching Engine.

The Exchange also proposes to amend Exchange Rule 519C, Mass Cancellation of Trading Interest, to adopt new rule text for new functionality being introduced in this proposal which provides that a Member may cancel all of its MEO Day orders and block all new inbound MEO Day orders by MPID. This request may only be submitted to the Exchange's System

¹⁸ See MIAX PEARL Fee Schedule, Section 5)d).

¹⁹ The term “SEC” or “Commission” means the United States Securities and Exchange Commission. See Exchange Rule 100.

²⁰ “Waiver Period” means, for each applicable fee, the period of time from the initial effective date of the MIAX PEARL Fee Schedule until such time that the Exchange has an effective fee filing establishing the applicable fee. The Exchange will issue a Regulatory Circular announcing the establishment of an applicable fee that was subject to a Waiver Period at least fifteen (15) days prior to the termination of the Waiver Period and effective date of any such applicable fee.

electronically via the Member's MEO port; either via its existing MEO ports, or via the new proposed MEO Purge Ports.

The Exchange also proposes to amend Exchange Rule 519C, Mass Cancellation of Trading Interest, to clarify functionality, in light of the new proposed functionality. Specifically, the Exchange proposes to amend 519C(b) which reads, “[a] Member may request Exchange staff to (i) remove all of its quotations and cancel all of its orders in the System and (ii) block all new inbound quotations and orders, by firm name or by MPID.” Accordingly, the Exchange is proposing to delete the reference to staff in the first sentence as a Member may either contact Exchange staff to have this action performed on their behalf or, by utilizing the new purge message, may submit a request to the Exchange's System via its MEO Port to cancel all of its MEO Day orders and block all new inbound MEO Day orders by MPID. Additionally, the Exchange proposes to amend the last sentence of 519C(b) which currently states that, “[t]he block will remain in effect until the Member requests Exchange staff to remove the block,” by removing the word “staff.” To remove a block a Member may (i) send an electronic message directly into the Exchange's System; or (ii) contact Exchange staff. The Exchange believes removing the word “staff” from the rule text more accurately encompasses the activity under both scenarios.

The Exchange notes that this proposal does not preclude Members from using the existing purge messages provided by either the MEO protocol or the cancel messages provided by the FIX protocol. Under the MEO protocol, Members may request that all quotations for all underlyings, or for a specific underlying, be removed, and that new inbound quotations for all underlyings, or specific underlyings, be blocked. Under the FIX protocol, Members may also

request that all, or a subset, of orders for an MPID, or all Day or GTC orders for an MPID, on the requesting session, be canceled.

Additionally, the Exchange notes that this functionality is similar to functionality recently adopted by the Exchange's affiliate, Miami International Securities Exchange, LLC ("MIAX Options").²¹

The Exchange will announce the implementation date of the proposed rule change by Regulatory Circular to be published no later than 60 days following the operative date of the proposed rule. The implementation date will be no later than 60 days following the issuance of the Regulatory Circular.

b. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act²² in general, and furthers the objectives of Section 6(b)(5) of the Act²³ 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 regulating, clearing, settling, processing information with respect to, and 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 rule change is consistent with Section 6(b)(5) of the Act,²⁴ in that it promotes just and equitable principles of trade and removes impediments to

²¹ See Securities Exchange Act Release No. 81252 (July 28, 2017), 82 FR 36172 (August 3, 2017) (SR-MIAX-2017-36).

²² 15 U.S.C. 78f(b).

²³ 15 U.S.C. 78f(b)(5).

²⁴ Id.

and perfects the mechanism of a free and open market. Offering Members designated MEO Purge Ports would enhance their ability to manage quotes, quote traffic, and quoting obligations for Members that are Market Makers,²⁵ which would, in turn, improve their risk controls to the benefit of all market participants. The Exchange believes that MEO Purge Ports would foster cooperation and coordination with persons engaged in facilitating transactions in securities because designating MEO Purge Ports for purges only may encourage better use of dedicated ports. This may, concurrent with the ports that carry quotes and other information necessary for market making activities, enable more efficient, as well as fair and reasonable, use of Members' resources. As MEO Purge Ports are only available for purging and not for activities such as order or quote entry, the MEO Purge Ports are not designed to permit unfair discrimination but rather are designed to enable Members to better manage their market risk, which, in turn, benefits all market participants. The Exchange also notes that similar connectivity and functionality is offered by other exchanges.²⁶

The Exchange notes that the proposed rule change will not relieve Market Makers of their continuous quoting obligations under Exchange Rule 604 and under Regulation NMS Rule 602.²⁷ Specifically, any interest that is executable against a Market Maker's quotes that is received by the Exchange's Matching Engine prior to the time that the purge message is received by the Exchange's Matching Engine will automatically execute at that price, up to the quote's

²⁵ See Exchange Rule 604 and 605(d)(1).

²⁶ See Securities Exchange Act Release Nos. 81252 (July 28, 2017), 82 FR 36172 (August 3, 2017) (SR-MIAX-2017-36); 77613 (April 13, 2016), 81 FR 23023 (April 19, 2016) (SR-Phlx-2016-45); 79956 (February 3, 2017), 82 FR 10102 (February 9, 2017) (SR-BatsBZX-2017-05); and 81095 (July 7, 2017), 82 FR 32409 (July 13, 2017) (SR-ISE-2017-62).

²⁷ 17 CFR 242.602.

size. Market Makers that purge their quotes will not be relieved of the obligation to provide continuous two-sided quotes on a daily basis, nor will it prohibit the Exchange from taking disciplinary action against a Market Maker for failing to meet its continuous quoting obligation each trading day.

In addition, the Exchange believes that 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 by providing Members with an additional purge message which allows them to cancel their MEO Day orders by MPID and blocks new inbound MEO Day orders from being received yet preserves their ability to continue to provide liquidity to the market and interact with Public Customer orders via MEO IOC orders. Further, the Exchange is clarifying existing rule text in Rule 519C to better describe current functionality available on the Exchange. The Exchange believes that clarifying current functionality promotes the protection of investors and the public interest by helping market participants better understand the risk protection tools available on the Exchange.

The Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,²⁸ in that it provides for the equitable allocation of reasonable dues, fees and other charges among Members and other persons using any facility or system which the Exchange operates or controls. Even though the Exchange is proposing to waive this particular fee during the Waiver Period,²⁹ the Exchange believes that it is appropriate to provide market participants with the overall structure of the fee by outlining the structure on the Fee Schedule without setting

²⁸ 15 U.S.C. 78f(b)(4).

²⁹ See supra note 20.

forth a specific fee amount, so that there is a general awareness that the Exchange intends to assess such a fee in the future.

The Exchange also believes that the proposed amendments to its fee schedule are non-discriminatory because they will apply uniformly to all Members. The proposed MEO Purge Ports are completely voluntary and no Member is required, or under any regulatory obligation, to utilize them. All Members have the option to select any connectivity option, and fees, when charged, are charged uniformly for the services offered by the Exchange.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed rule change will enhance competition because it will enable it to offer similar connectivity and functionality as its competitor exchanges.³⁰ In addition, the proposed MEO Purge Ports are completely voluntary and no Member is required or under any regulatory obligation to utilize them.

The Exchange believes its proposed amendments to its Fee Schedule would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. On the contrary, the Exchange believes the proposed rule change will enhance competition because it will enable it to offer similar connectivity and functionality as its competitor exchanges.³¹ In addition, the proposed MEO Purge Ports are completely voluntary and no Member is required or under any regulatory obligation to utilize them. Accordingly, the

³⁰ See supra note 26.

³¹ Id.

Exchange does not believe that the proposed change will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

The Exchange also does not believe the proposed rule change would impact intramarket competition as it would apply to all Members and non-Members equally.

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

The Exchange has neither solicited nor received comments on the proposed rule change.

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 Act³² and Rule 19b-4(f)(6)³³ thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The proposed rule change does not raise any novel or unique substantive issues, and the Exchange notes that similar rules are currently operative on others exchanges.³⁴ The proposal is non-controversial because it would not significantly affect the protection of investors or the public interest because offering MEO Purge Ports enables Members to continue to manage their

³² 15 U.S.C. 78s(b)(3)(A).

³³ 17 CFR 240.19b-4(f)(6).

³⁴ See supra note 26.

risk. The proposed rule change also does not impose any significant burden on competition for the reasons set forth above. 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 filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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

The proposed rule change is primarily based on MIAX Options Exchange Rule 519C. The Exchange's proposal provides for the cancellation of MEO Day orders, whereas MIAX Options provides for the removal of Standard Quotes, which are similar to MEO Day orders on the Exchange. The functionality offered by MIAX Options does not impact eQuotes on the exchange, similar to the MIAX PEARL functionality, which does not impact MEO IOC orders, which are analogous to eQuotes on MIAX Options.

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-2017-38)

December __, 2017

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIA X PEARL, LLC to Adopt a New Type of MIA X Express Orders Interface Port Known as a MEO Purge Port and to Amend MIA X PEARL Rule 519C, Mass Cancellation of Trading Interest, to Adopt a New Purge Message, as well as to Amend its Fee Schedule to identify the New MEO Purge Port

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 December 15, 2017, MIA X PEARL, LLC (“MIA X PEARL” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change”) 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 Rule 519C, Mass Cancellation of Trading Interest, to adopt new rule text to reflect the proposed MEO Purge Port functionality, as well as to make clarifying changes to existing rule text to more accurately describe current functionality. The Exchange is also proposing to amend its Fee Schedule to identify the New MEO Purge Ports.

The text of the proposed changes to Exchange Rule 519C is attached as Exhibit 5A. The proposed changes to the Fee Schedule are attached as Exhibit 5B. The text of the proposed rule

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

change is available on the Exchange's website at <http://www.miaxoptions.com/rule-filings/pearl> at MIAX PEARL's principal office, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on 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 offer Members³ that connect to the Exchange using the MIAX Express Orders interface ("MEO Interface")⁴ a new type of connection port, named MEO Purge Port, to be used as a dedicated port for sending purge messages to the Exchange. The Exchange also proposes to amend its Fee Schedule to identify the new MEO Purge Port. Finally, the Exchange proposes to amend Exchange Rule 519C, Mass Cancellation of Trading Interest, to adopt new rule text to reflect the proposed MEO Purge Port functionality, as well as to make clarifying changes to existing rule text to more accurately describe current functionality.

³ The term "Member" means an individual or organization that is registered with the Exchange pursuant to Chapter II of the 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 "MEO Interface" means a binary order interface used for submitting certain order types (as set forth in Rule 516) to the MIAX PEARL System. See Exchange Rule 100.

Members connect to the Exchange's System⁵ via their assigned MEO ports. Currently, the Exchange offers Members three different types of MEO port connections. The first is a Full Service MEO Port - Bulk⁶ which supports all MEO input message types and binary bulk order entry; the second is a Full Service MEO Port - Single⁷ which supports all MEO input messages and binary order entry on a single order-by-order basis, but not bulk orders; the third is a Limited Service MEO Port⁸ which supports all MEO input message types, but does not support bulk order entry and only supports limited order types, as specified by the Exchange via Regulatory Circular. The Exchange limits Members to two (2) Full Service MEO Ports of either type per Matching Engine⁹ and allows up to eight (8) Limited Service MEO Ports per Matching Engine.¹⁰

The proposed MEO Purge Ports are a new, optional type of MEO port dedicated solely to handling purge messages which would enable a Member, by MPID,¹¹ to (i) remove all or a subset of its quotations¹² in the System and (ii) block all or a subset of new inbound quotations

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

⁶ See MIAX PEARL Fee Schedule, Definitions.

⁷ See MIAX PEARL Fee Schedule, Definitions.

⁸ See MIAX PEARL Fee Schedule, Definitions.

⁹ "Matching Engine" is a part of the MIAX PEARL electronic system that processes options orders and trades on a symbol-by-symbol basis. Some Matching Engines will process option classes with multiple root symbols, and other Matching Engines may be dedicated to one single option root symbol (for example, options on SPY may be processed by one single Matching Engine that is dedicated only to SPY). A particular root symbol may only be assigned to a single designated Matching Engine. A particular root symbol may not be assigned to multiple Matching Engines. See MIAX PEARL Fee Schedule, Definitions.

¹⁰ See MIAX PEARL Fee Schedule, Section 5)d).

¹¹ The term "MPID" means unique market participant identifier. See Exchange Rule 100.

¹² The term "quote" or "quotation" means 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. When the term order is used in these Rules and a bid or offer is entered by the Market Maker in the

from being received;¹³ or cancel all of its MEO Day orders¹⁴ in the System and block all new inbound MEO Day orders from being received by MPID.¹⁵ Sending a purge message to cancel and block MEO Day orders will not cancel or block MEO immediate-or-cancel (“IOC”) orders.¹⁶ MEO IOC orders allow Members to continue to provide targeted liquidity to the market and to interact with Public Customer¹⁷ orders. When quotes have been purged as described above, the block will remain in effect until the Member requests that the Exchange remove the block.

The purge messages described above may be sent via any type of MEO port, however, purge messages received on the proposed MEO Purge Ports will be handled by the System in a way that ensures minimum possible latency (as MEO Purge Ports solely process purge messages, as opposed to Full Service MEO Ports – Bulk, Full Service MEO Ports – Single, and Limited Service MEO Ports, which also process additional message types), thereby providing Members

option series to which such Market Maker is registered, such order shall, as applicable, constitute a quote for purposes of MIAX PEARL Rules. See Exchange Rule 100.

¹³ A Member currently has the ability to send a purge message to remove all or a subset of its quotations and block all or a subset of its new inbound quotations via its MEO port or by request to the Exchange’s Help Desk. That ability is not changing with this proposal. What is changing with this proposal is the ability of a Member to send that purge message via the proposed MEO Purge Ports.

¹⁴ This would include both Day Limit Orders and Post-Only Orders entered via the MEO interface. A Day Limit Order is an order to buy or sell which, if not executed, expires at the end of the trading in the security on the day on which it was entered. See Exchange Rule 516(h). Post-Only Orders are orders that will not remove liquidity from the Book. See Exchange Rule 516(j).

¹⁵ The Exchange is introducing a new purge message that will cancel all of a Member’s MEO Day orders and block all of its new inbound MEO Day orders. This request may only be sent electronically via a Member’s existing MEO port, or via the new proposed MEO Purge Ports.

¹⁶ An immediate-or-cancel order is an order that is to be executed in whole or in part upon receipt. Any portion not so executed is canceled. See Exchange Rule 516(e).

¹⁷ The term “Public Customer” means a person that is not a broker or dealer in securities. See Exchange Rule 100.

with a faster, more efficient means to have their quotes removed from the System, which will provide Members with an enhanced level of risk protection.

The proposed MEO Purge Ports are designed to assist Members in the management of, and risk control over, their orders, particularly if the Member has resting orders in a large number of options. For example, if a Member detects market indications that may influence the direction or bias of its orders, the Member may use the proposed MEO Purge Ports to reduce uncertainty and to manage risk by purging all orders in a number of options seamlessly to avoid unintended executions, while continuing to evaluate the direction of the market.

The Exchange also proposes to amend Section 5)d) of its Fee Schedule to identify the new MEO Purge Ports. Members are allocated two (2) Full Service MEO Ports of either type and up to eight (8) Limited Service MEO Ports per Matching Engine to which they connect.¹⁸ The Exchange currently waives monthly MEO Port fees for all Members and will similarly waive MEO Purge Port fees until such time as the Exchange submits a rule filing to the Commission¹⁹ to establish the fee amount, and any related requirements, and provides notice to expire the applicable Waiver Period.²⁰

With the introduction of MEO Purge Ports, the Exchange proposes to amend Section 5)d) of its Fee Schedule to provide that a Member may request and be allocated two (2) MEO Purge Ports per Matching Engine to which it connects via a Full Service MEO Port. Specifically, a

¹⁸ See MIAX PEARL Fee Schedule, Section 5)d).

¹⁹ The term “SEC” or “Commission” means the United States Securities and Exchange Commission. See Exchange Rule 100.

²⁰ “Waiver Period” means, for each applicable fee, the period of time from the initial effective date of the MIAX PEARL Fee Schedule until such time that the Exchange has an effective fee filing establishing the applicable fee. The Exchange will issue a Regulatory Circular announcing the establishment of an applicable fee that was subject to a Waiver Period at least fifteen (15) days prior to the termination of the Waiver Period and effective date of any such applicable fee.

Member must have either a Full Service MEO Port – Bulk, or a Full Service MEO Port – Single connection to a Matching Engine in order to be eligible to receive MEO Purge Ports with respect to that Matching Engine.

The Exchange also proposes to amend Exchange Rule 519C, Mass Cancellation of Trading Interest, to adopt new rule text for new functionality being introduced in this proposal which provides that a Member may cancel all of its MEO Day orders and block all new inbound MEO Day orders by MPID. This request may only be submitted to the Exchange’s System electronically via the Member’s MEO port; either via its existing MEO ports, or via the new proposed MEO Purge Ports.

The Exchange also proposes to amend Exchange Rule 519C, Mass Cancellation of Trading Interest, to clarify functionality, in light of the new proposed functionality. Specifically, the Exchange proposes to amend 519C(b) which reads, “[a] Member may request Exchange staff to (i) remove all of its quotations and cancel all of its orders in the System and (ii) block all new inbound quotations and orders, by firm name or by MPID.” Accordingly, the Exchange is proposing to delete the reference to staff in the first sentence as a Member may either contact Exchange staff to have this action performed on their behalf or, by utilizing the new purge message, may submit a request to the Exchange’s System via its MEO Port to cancel all of its MEO Day orders and block all new inbound MEO Day orders by MPID. Additionally, the Exchange proposes to amend the last sentence of 519C(b) which currently states that, “[t]he block will remain in effect until the Member requests Exchange staff to remove the block,” by removing the word “staff.” To remove a block a Member may (i) send an electronic message directly into the Exchange’s System; or (ii) contact Exchange staff. The Exchange believes removing the word “staff” from the rule text more accurately encompasses the activity under both scenarios.

The Exchange notes that this proposal does not preclude Members from using the existing purge messages provided by either the MEO protocol or the cancel messages provided by the FIX protocol. Under the MEO protocol, Members may request that all quotations for all underlyings, or for a specific underlying, be removed, and that new inbound quotations for all underlyings, or specific underlyings, be blocked. Under the FIX protocol, Members may also request that all, or a subset, of orders for an MPID, or all Day or GTC orders for an MPID, on the requesting session, be canceled.

Additionally, the Exchange notes that this functionality is similar to functionality recently adopted by the Exchange's affiliate, Miami International Securities Exchange, LLC ("MIAX Options").²¹

The Exchange will announce the implementation date of the proposed rule change by Regulatory Circular to be published no later than 60 days following the operative date of the proposed rule. The implementation date will be no later than 60 days following the issuance of the Regulatory Circular.

2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act²² in general, and furthers the objectives of Section 6(b)(5) of the Act²³ 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions

²¹ See Securities Exchange Act Release No. 81252 (July 28, 2017), 82 FR 36172 (August 3, 2017) (SR-MIAX-2017-36).

²² 15 U.S.C. 78f(b).

²³ 15 U.S.C. 78f(b)(5).

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 rule change is consistent with Section 6(b)(5) of the Act,²⁴ in that it promotes just and equitable principles of trade and removes impediments to and perfects the mechanism of a free and open market. Offering Members designated MEO Purge Ports would enhance their ability to manage quotes, quote traffic, and quoting obligations for Members that are Market Makers,²⁵ which would, in turn, improve their risk controls to the benefit of all market participants. The Exchange believes that MEO Purge Ports would foster cooperation and coordination with persons engaged in facilitating transactions in securities because designating MEO Purge Ports for purges only may encourage better use of dedicated ports. This may, concurrent with the ports that carry quotes and other information necessary for market making activities, enable more efficient, as well as fair and reasonable, use of Members' resources. As MEO Purge Ports are only available for purging and not for activities such as order or quote entry, the MEO Purge Ports are not designed to permit unfair discrimination but rather are designed to enable Members to better manage their market risk, which, in turn, benefits all market participants. The Exchange also notes that similar connectivity and functionality is offered by other exchanges.²⁶

The Exchange notes that the proposed rule change will not relieve Market Makers of their continuous quoting obligations under Exchange Rule 604 and under Regulation NMS Rule

²⁴ Id.

²⁵ See Exchange Rule 604 and 605(d)(1).

²⁶ See Securities Exchange Act Release Nos. 81252 (July 28, 2017), 82 FR 36172 (August 3, 2017) (SR-MIAX-2017-36); 77613 (April 13, 2016), 81 FR 23023 (April 19, 2016) (SR-Phlx-2016-45); 79956 (February 3, 2017), 82 FR 10102 (February 9, 2017) (SR-BatsBZX-2017-05); and 81095 (July 7, 2017), 82 FR 32409 (July 13, 2017) (SR-ISE-2017-62).

602.²⁷ Specifically, any interest that is executable against a Market Maker's quotes that is received by the Exchange's Matching Engine prior to the time that the purge message is received by the Exchange's Matching Engine will automatically execute at that price, up to the quote's size. Market Makers that purge their quotes will not be relieved of the obligation to provide continuous two-sided quotes on a daily basis, nor will it prohibit the Exchange from taking disciplinary action against a Market Maker for failing to meet its continuous quoting obligation each trading day.

In addition, the Exchange believes that 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 by providing Members with an additional purge message which allows them to cancel their MEO Day orders by MPID and blocks new inbound MEO Day orders from being received yet preserves their ability to continue to provide liquidity to the market and interact with Public Customer orders via MEO IOC orders. Further, the Exchange is clarifying existing rule text in Rule 519C to better describe current functionality available on the Exchange. The Exchange believes that clarifying current functionality promotes the protection of investors and the public interest by helping market participants better understand the risk protection tools available on the Exchange.

The Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,²⁸ in that it provides for the equitable allocation of reasonable dues, fees and other charges among Members and other persons using any facility or system which the Exchange operates or controls. Even though the Exchange is proposing to waive this particular fee during

²⁷ 17 CFR 242.602.

²⁸ 15 U.S.C. 78f(b)(4).

the Waiver Period,²⁹ the Exchange believes that it is appropriate to provide market participants with the overall structure of the fee by outlining the structure on the Fee Schedule without setting forth a specific fee amount, so that there is a general awareness that the Exchange intends to assess such a fee in the future.

The Exchange also believes that the proposed amendments to its fee schedule are non-discriminatory because they will apply uniformly to all Members. The proposed MEO Purge Ports are completely voluntary and no Member is required, or under any regulatory obligation, to utilize them. All Members have the option to select any connectivity option, and fees, when charged, are charged uniformly for the services offered by the Exchange.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed rule change will enhance competition because it will enable it to offer similar connectivity and functionality as its competitor exchanges.³⁰ In addition, the proposed MEO Purge Ports are completely voluntary and no Member is required or under any regulatory obligation to utilize them.

The Exchange believes its proposed amendments to its Fee Schedule would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. On the contrary, the Exchange believes the proposed rule change will enhance competition because it will enable it to offer similar connectivity and functionality as its competitor exchanges.³¹ In addition, the proposed MEO Purge Ports are completely voluntary

²⁹ See supra note 20.

³⁰ See supra note 26.

³¹ Id.

and no Member is required or under any regulatory obligation to utilize them. Accordingly, the Exchange does not believe that the proposed change will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

The Exchange also does not believe the proposed rule change would impact intramarket competition as it would apply to all Members and non-Members equally.

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act³² and Rule 19b-4(f)(6)³³ 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.

³² 15 U.S.C. 78s(b)(3)(A).

³³ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
or
- Send an e-mail [to rule-comments@sec.gov](mailto:to-rule-comments@sec.gov). Please include File Number SR-PEARL-2017-38 on the subject line.

Paper comments:

- 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-2017-38. 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-2017-38 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.³⁴

Brent J. Fields
Secretary

³⁴ 17 CFR 200.30-3(a)(12).

EXHIBIT 5A

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

MIAX PEARL, LLC Rules

Rule 519C. Mass Cancellation of Trading Interest

(a) **Cancel.** A Member may remove all of its quotations and/or cancel all or any subset of its orders in the System, by firm name or by Market Participant Identifier (“MPID”), by requesting the Exchange staff to effect such cancellations.

(b) **Cancel and Block.** A Member may request that the Exchange [staff to](i) remove all of its quotations and cancel all of its orders in the System and (ii) block all new inbound quotations and orders, by firm name or by MPID. A Member may also request that the Exchange cancel all of its MEO Day orders in the System and block all new inbound MEO Day orders by MPID. The block will remain in effect until the Member requests that the Exchange [staff to]remove the block.

(c) No change

Exhibit 5B

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

MIAX PEARL Fee Schedule

Definitions

“MEO Purge Ports” provide Members with the ability to send quote purge messages to the MIAX PEARL System. MEO Purge Ports are not capable of sending or receiving any other type of messages or information.

1) - 4) No change.

5) System Connectivity Fees

a)– c) No change.

d) Port Fees

MIAX PEARL will assess monthly Port Fees on Members and non-Members in each month the Member or non-Member is credentialed to use a Port in the production environment and based upon the number of credentialed Ports, as set forth in the table below. MIAX PEARL has primary and secondary data centers and a disaster recovery center. Each Port provides access to all three data centers for a single fee. Unless otherwise specifically set forth in the Fee Schedule, the Port Fees include the information communicated through the Port at no additional charge.

Type of Port	Monthly Port Fees Includes Connectivity to the Primary, Secondary and Disaster Recovery Data Centers
FIX Port	Fee waived for the Waiver Period
Full Service MEO Port - Bulk	Fee waived for the Waiver Period
Full Service MEO Port - Single	Fee waived for the Waiver Period
Limited Service MEO Port	Fee waived for the Waiver Period
<u>MEO Purge Port</u>	<u>Fee waived for the Waiver Period</u>

CTD Port	Fee waived for the Waiver Period
FXD Port	Fee waived for the Waiver Period

Members and non-Members may be allocated two (2) Full-Service MEO Ports of either type per Matching Engine and up to eight (8) Limited Service MEO Ports per Matching Engine. The two (2) Full-Service MEO Ports that may be allocated per Matching Engine to a Member or non-Member may consist of: (a) two (2) Full Service MEO Ports – Bulk; or (b) two (2) Full Service MEO Ports – Single. Additionally, Members may request and be allocated two (2) MEO Purge Ports per Matching Engine to which the Member connects via a Full Service MEO Port.
