

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * <input type="text" value="33"/> | SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4 | File No.* SR - <input type="text" value="2018"/> - * <input type="text" value="17"/> |
| | | Amendment No. (req. for Amendments *) <input type="text"/> |

Filing by MIAX PEARL, LLC
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

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| 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) * <input type="checkbox"/> | Section 806(e)(2) * <input type="checkbox"/> |
| Section 3C(b)(2) * <input type="checkbox"/> | |

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

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

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 * Last Name *

Title *

E-mail *

Telephone * 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 Senior Vice President and Deputy General Counsel

By

(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 EFFF 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

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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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 the MIAX PEARL Fee Schedule (the “Fee Schedule”). 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 MIAX PEARL 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 senior management of the Exchange pursuant to authority delegated by the MIAX PEARL Board of Directors on December 7, 2017. 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 Joseph W. Ferraro, Senior Vice President and Deputy General Counsel, at 609-897-8492.

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

The Exchange proposes to amend the Add/Remove Tiered Rebates/Fees set forth in Section 1)a) of the Fee Schedule to (i) decrease Maker (as defined below) rebates in Tier 6 for options transactions in Penny classes (as defined below) and non-Penny classes (as defined

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

below) for Priority Customers³; (ii) increase Taker (as defined below) fees in certain Tiers for options transactions in Penny classes and in all Tiers for options transactions in non-Penny classes for MIAX PEARL Market Makers⁴, and (iii) increase the Taker fees in all Tiers for options transactions in non-Penny classes for Non-Priority Customers, Firms, Broker-Dealers and Non-MIAX PEARL Market Makers (collectively herein “Professional Members”).

The Exchange currently assesses transaction rebates and fees to all market participants which are based upon the total monthly volume executed by the Member⁵ on MIAX PEARL in the relevant, respective origin type (not including Excluded Contracts)⁶ expressed as a percentage of TCV.⁷ In addition, the per contract transaction rebates and fees are applied

³ “Priority Customer” means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). See Exchange Rule 100, including Interpretations and Policies .01.

⁴ “Market Maker” means a Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange. See the Definitions Section of the Fee Schedule and Exchange Rule 100.

⁵ “Member” means an individual or organization that is registered with the Exchange pursuant to Chapter II of the Exchange 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 the Definitions Section of the Fee Schedule and Exchange Rule 100.

⁶ “Excluded Contracts” means any contracts routed to an away market for execution. See the Definitions Section of the Fee Schedule.

⁷ “TCV” means total consolidated volume calculated as the total national volume in those classes listed on MIAX PEARL for the month for which the fees apply, excluding consolidated volume executed during the period time in which the Exchange experiences an “Exchange System Disruption” (solely in the option classes of the affected Matching Engine (as defined below)). The term Exchange System Disruption, which is defined in the Definitions section of the Fee Schedule, means an outage of a Matching Engine or collective Matching Engines for a period of two consecutive hours or more, during trading hours. The term Matching Engine, which is also defined in the Definitions section of the Fee Schedule, 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

retroactively to all eligible volume for that origin type once the respective threshold tier (“Tier”) has been reached by the Member. The Exchange aggregates the volume of Members and their Affiliates.⁸ Members that place resting liquidity, i.e., orders resting on the book of the MIAX PEARL System,⁹ are paid the specified “maker” rebate (each a “Maker”), and Members that execute against resting liquidity are assessed the specified “taker” fee (each a “Taker”). For opening transactions and ABBO uncrossing transactions, per contract transaction rebates and fees are waived for all market participants. Finally, Members are assessed lower transaction fees and receive lower rebates for order executions in standard option classes in the Penny Pilot Program¹⁰ (“Penny classes”) than for order executions in standard option classes which are not in the Penny Pilot Program (“non-Penny classes”), where Members are assessed higher transaction

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. The Exchange believes that it is reasonable and appropriate to select two consecutive hours as the amount of time necessary to constitute an Exchange System Disruption, as two hours equates to approximately 1.4% of available trading time per month. The Exchange notes that the term “Exchange System Disruption” and its meaning have no applicability outside of the Fee Schedule, as it is used solely for purposes of calculating volume for the threshold tiers in the Fee Schedule. See the Definitions Section of the Fee Schedule.

⁸ “Affiliate” means (i) an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm’s Form BD, Schedule A, or (ii) the Appointed Market Maker of an Appointed EEM (or, conversely, the Appointed EEM of an Appointed Market Maker). An “Appointed Market Maker” is a MIAX PEARL Market Maker (who does not otherwise have a corporate affiliation based upon common ownership with an EEM) that has been appointed by an EEM and an “Appointed EEM” is an EEM (who does not otherwise have a corporate affiliation based upon common ownership with a MIAX PEARL Market Maker) that has been appointed by a MIAX PEARL Market Maker, pursuant to the process described in the Fee Schedule. See the Definitions Section of the Fee Schedule.

⁹ The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

¹⁰ See Securities Exchange Act Release No. 83517 (June 25, 2018), 83 FR 30792 (June 29, 2018)(SR-PEARL-2018-14).

fees and receive higher rebates. Transaction rebates and fees in Section 1)a) of the Fee Schedule are currently assessed according to the following tables:

| | | | Per Contract Rebates/Fees for Penny Classes | | | | Per Contract Rebates/Fees for Non-Penny Classes | |
|-------------------|------|---------------------|---|--------|-----------|---------------------|---|--------|
| Origin | Tier | Volume Criteria | Maker | Taker* | SPY Taker | QQQ, IWM, VXX Taker | Maker | Taker |
| Priority Customer | 1 | 0.00% - 0.10% | (\$0.25) | \$0.48 | \$0.44 | \$0.47 | (\$0.85) | \$0.87 |
| | 2 | Above 0.10% - 0.35% | (\$0.40) | \$0.46 | \$0.43 | \$0.46 | (\$0.95) | \$0.86 |
| | 3 | Above 0.35% - 0.50% | (\$0.45) | \$0.44 | \$0.42 | \$0.44 | (\$1.00) | \$0.85 |
| | 4 | Above 0.50% - 0.75% | (\$0.52) | \$0.44 | \$0.41 | \$0.43 | (\$1.03) | \$0.84 |
| | 5 | Above 0.75% - 1.25% | (\$0.53) | \$0.44 | \$0.40 | \$0.42 | (\$1.04) | \$0.84 |
| | 6 | Above 1.25% | (\$0.54) | \$0.43 | \$0.38 | \$0.40 | (\$1.05) | \$0.84 |

* For all Penny Classes other than SPY, QQQ, IWM, and VXX.

| | | | Per Contract Rebates/Fees for Penny Classes | | Per Contract Rebates/Fees for Non-Penny Classes | |
|------------------------------|------|---|---|--------|---|---------|
| Origin | Tier | Volume Criteria | Maker | Taker | Maker** | Taker** |
| All MIAX PEARL Market Makers | 1 | 0.00% - 0.15% | (\$0.25) | \$0.50 | (\$0.30) | \$1.05 |
| | 2 | Above 0.15% - 0.40% | (\$0.40) | \$0.50 | (\$0.30) | \$1.05 |
| | 3 | Above 0.40% - 0.65% | (\$0.40) | \$0.48 | (\$0.60) | \$1.03 |
| | 4 | Above 0.65% - 1.00% or Above 2.25% in SPY | (\$0.47) | \$0.43 | (\$0.65) | \$1.02 |
| | 5 | Above 1.00% - 1.40% | (\$0.48) | \$0.43 | (\$0.70) | \$1.02 |
| | 6 | Above 1.40% | (\$0.48) | \$0.43 | (\$0.85) | \$1.02 |

| | | | Per Contract Rebates/Fees for Penny Classes | | Per Contract Rebates/Fees for Non-Penny Classes | |
|---|------|---------------------|---|--------|---|---------------------|
| Origin | Tier | Volume Criteria | Maker [^] | Taker | Maker ^{**^} | Taker ^{**} |
| Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers | 1 | 0.00% - 0.15% | (\$0.25) | \$0.50 | (\$0.30) | \$1.05 |
| | 2 | Above 0.15% - 0.40% | (\$0.40) | \$0.50 | (\$0.30) | \$1.05 |
| | 3 | Above 0.40% - 0.65% | (\$0.40) | \$0.48 | (\$0.60) | \$1.04 |
| | 4 | Above 0.65% - 1.00% | (\$0.47) | \$0.48 | (\$0.65) | \$1.04 |
| | 5 | Above 1.00% - 1.40% | (\$0.48) | \$0.48 | (\$0.70) | \$1.04 |
| | 6 | Above 1.40% | (\$0.48) | \$0.48 | (\$0.85) | \$1.04 |

****** Members may qualify for the Maker Rebate and the Taker Fee associated with the highest Tier for transactions in Non-Penny classes if the Member executes more than 0.30% volume in Non-Penny classes, not including Excluded Contracts, as compared to the TCV in all MIAX PEARL listed option classes. For purposes of qualifying for such rates, the Exchange will aggregate the volume transacted by Members and their Affiliates in the following Origin types in Non-Penny classes: MIAX PEARL Market Makers, and Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers.

^ Members may qualify for Maker Rebates equal to the greater of: (A) (\$0.40) for Penny Classes and (\$0.65) for Non-Penny Classes, or (B) the amount set forth in the applicable Tier reached by the Member in the relevant Origin, if the Member and their Affiliates execute at least 1.50% volume in the relevant month, in Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to the TCV in all MIAX PEARL listed option classes.

Except as otherwise set forth herein, the Volume Criteria is calculated based on the total monthly volume executed by the Member in all options classes on MIAX PEARL in the relevant Origin type, not including Excluded Contracts, (as the numerator) expressed as a percentage of (divided by) TCV (as the denominator). In Tier 4 for MIAX PEARL Market Makers, the alternative Volume Criteria (above 2.25% in SPY) is calculated based on the total monthly volume executed by the Market Maker solely in SPY options on MIAX PEARL in the relevant Origin type, not including Excluded Contracts, (as the numerator) expressed as a percentage of (divided by) SPY TCV (as the denominator). The per contract transaction rebates and fees shall be applied retroactively to all eligible volume once the threshold has been reached by Member. The Exchange aggregates the volume of Members and their Affiliates in the Add/Remove Tiered Fees. The per contract transaction rebates and fees shall be waived for transactions executed during the opening and for transactions that uncross the ABBO.

Maker Rebates

The Exchange proposes to decrease the Maker rebate amounts in Tier 6 as described below for Penny and non-Penny classes for Priority Customers. Specifically, for Priority Customer options transactions in Penny classes, the Exchange proposes to decrease the Maker rebate in Tier 6 from (\$0.54) to (\$0.53). For Priority Customer options transactions in non-

Penny classes, the Exchange proposes to decrease the Maker rebate in Tier 6 from (\$1.05) to (\$1.04).

Taker Fees

The Exchange proposes to: (i) increase the Taker fees assessable to MIAX PEARL Market Makers in certain Tiers for options transactions in Penny classes and in all Tiers for options transactions in non-Penny classes, and (ii) increase the Taker fees assessable to Professional Members in all tiers for options transactions in non-Penny classes. Specifically, the Exchange proposes to increase the Taker fees for MIAX PEARL Market Makers orders in options in Penny classes in Tier 4 from \$0.43 to \$0.47, in Tier 5 from \$0.43 to \$0.45 and in Tier 6 from \$0.43 to \$0.44. The Exchange also proposes to increase the Taker fee for MIAX PEARL Market Makers for options transactions in non-Penny classes in Tier 1 from \$1.05 to \$1.10, in Tier 2 from \$1.05 to \$1.10, in Tier 3 from \$1.03 to \$1.09, in Tier 4 from \$1.02 to \$1.08, in Tier 5 from \$1.02 to \$1.07 and in Tier 6 from \$1.02 to \$1.06. The Exchange proposes to increase the Taker fees for Professional Members for options transactions in non-Penny classes in Tier 1 from \$1.05 to \$1.10, in Tier 2 from \$1.05 to \$1.10, in Tier 3 from \$1.04 to \$1.10, in Tier 4 from \$1.04 to \$1.09, in Tier 5 from \$1.04 to \$1.08 and in Tier 6 from \$1.04 to \$1.07.

The purpose of increasing the specified Taker fees and decreasing the specified Maker rebates is for business and competitive reasons. As a new exchange, in order to attract order flow, the Exchange initially set its Maker rebates and Taker fees so that they were meaningfully higher/ lower than other options exchanges that operate comparable maker/taker pricing models.¹¹ The Exchange now believes that it is appropriate to further adjust these specified

¹¹ See Securities Exchange Act Release Nos. 80915 (June 13, 2017), 82 FR 27912 (June 19, 2017)(SR-PEARL-2017-29); 80914 (June 13, 2017), 82 FR 27910 (June 19, 2017)(SR-PEARL-2017-30).

Maker rebates and Taker fees so that they are more in line with other exchanges, but will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and maintain market share.¹²

Cboe BZX Exchange, Inc. (“Cboe BZX”) generally provides for similar fees and rebates. For example, under threshold criteria similar to MIAX PEARL’s proposed rebates in Priority Customer Tier 6 for Penny Classes, Cboe BZX’s Customer Penny Pilot Add Tiers 5, 6 and 7 provides for a rebate of \$0.53.¹³ Additionally, under threshold criteria similar to MIAX PEARL’s proposed rebates in Priority Customer Tier 6 for non-Penny Classes, Cboe BZX provides for a rebate of \$1.02 in its Customer Non-Penny Pilot Add Tier 3, and a rebate of \$1.05, in Tier 4.¹⁴ Further, under threshold criteria similar to MIAX PEARL’s proposed Taker fees for Market Makers in Tiers 4, 5 and 6, in Penny Classes, Cboe BZX charges fees of \$0.44 and \$0.47 in its non-Customer Penny Pilot Take Volume Tiers for Market Makers.¹⁵ Additionally, similar to the Taker fees proposed by MIAX PEARL for Market Makers in non-Penny Classes, Cboe BZX charges Market Makers a fee of \$1.07 in its non-Customer, Non-Penny Pilot Take Volume Tiers.¹⁶ Furthermore, similar to the Taker fees proposed by MIAX PEARL for Professional

¹² See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees.”

¹³ See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees,” “Customer Penny Pilot Add Tiers.”

¹⁴ See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees,” “Customer Non-Customer Penny Pilot Add Volume Tier.”

¹⁵ See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees,” “Non-Customer Penny Pilot Take Volume Tiers.”

¹⁶ See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees,” “Non-Customer Non-Penny Pilot Take Volume Tiers.”

Members in Non-Penny Classes, Cboe BZX charges Professionals a fee of \$1.07 in its Non-Customer, Non-Penny Pilot Take Volume Tiers.¹⁷

With all proposed changes, Section 1)a) of the Fee Schedule shall be the following:

| | | | Per Contract Rebates/Fees for Penny Classes | | | | Per Contract Rebates/Fees for Non-Penny Classes | |
|-------------------|------|---------------------|---|--------|-----------|---------------------|---|--------|
| Origin | Tier | Volume Criteria | Maker | Taker* | SPY Taker | QQQ, IWM, VXX Taker | Maker | Taker |
| Priority Customer | 1 | 0.00% - 0.10% | (\$0.25) | \$0.48 | \$0.44 | \$0.47 | (\$0.85) | \$0.87 |
| | 2 | Above 0.10% - 0.35% | (\$0.40) | \$0.46 | \$0.43 | \$0.46 | (\$0.95) | \$0.86 |
| | 3 | Above 0.35% - 0.50% | (\$0.45) | \$0.44 | \$0.42 | \$0.44 | (\$1.00) | \$0.85 |
| | 4 | Above 0.50% - 0.75% | (\$0.52) | \$0.44 | \$0.41 | \$0.43 | (\$1.03) | \$0.84 |
| | 5 | Above 0.75% - 1.25% | (\$0.53) | \$0.44 | \$0.40 | \$0.42 | (\$1.04) | \$0.84 |
| | 6 | Above 1.25% | (\$0.53) | \$0.43 | \$0.38 | \$0.40 | (\$1.04) | \$0.84 |

* For all Penny Classes other than SPY, QQQ, IWM, and VXX.

¹⁷ See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees,” “Non-Customer Non-Penny Pilot Take Volume Tiers.”

| | | | Per Contract Rebates/Fees for Penny Classes | | Per Contract Rebates/Fees for Non-Penny Classes | |
|------------------------------|------|---|---|--------|---|---------|
| Origin | Tier | Volume Criteria | Maker | Taker | Maker** | Taker** |
| All MIAX PEARL Market Makers | 1 | 0.00% - 0.15% | (\$0.25) | \$0.50 | (\$0.30) | \$1.10 |
| | 2 | Above 0.15% - 0.40% | (\$0.40) | \$0.50 | (\$0.30) | \$1.10 |
| | 3 | Above 0.40% - 0.65% | (\$0.40) | \$0.48 | (\$0.60) | \$1.09 |
| | 4 | Above 0.65% - 1.00% or Above 2.25% in SPY | (\$0.47) | \$0.47 | (\$0.65) | \$1.08 |
| | 5 | Above 1.00% - 1.40% | (\$0.48) | \$0.45 | (\$0.70) | \$1.07 |
| | 6 | Above 1.40% | (\$0.48) | \$0.44 | (\$0.85) | \$1.06 |

| | | | Per Contract Rebates/Fees for Penny Classes | | Per Contract Rebates/Fees for Non-Penny Classes | |
|---|------|---------------------|---|--------|---|---------|
| Origin | Tier | Volume Criteria | Maker^ | Taker | Maker**^ | Taker** |
| Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers | 1 | 0.00% - 0.15% | (\$0.25) | \$0.50 | (\$0.30) | \$1.10 |
| | 2 | Above 0.15% - 0.40% | (\$0.40) | \$0.50 | (\$0.30) | \$1.10 |
| | 3 | Above 0.40% - 0.65% | (\$0.40) | \$0.48 | (\$0.60) | \$1.10 |
| | 4 | Above 0.65% - 1.00% | (\$0.47) | \$0.48 | (\$0.65) | \$1.09 |
| | 5 | Above 1.00% - 1.40% | (\$0.48) | \$0.48 | (\$0.70) | \$1.08 |
| | 6 | Above 1.40% | (\$0.48) | \$0.48 | (\$0.85) | \$1.07 |

** Members may qualify for the Maker Rebate and the Taker Fee associated with the highest Tier for transactions in Non-Penny classes if the Member executes more than 0.30% volume in Non-Penny classes, not including Excluded Contracts, as compared to the TCV in all MIAX PEARL listed option classes. For purposes of qualifying for such rates, the Exchange will aggregate the volume transacted by Members and their Affiliates in the following Origin types in Non-Penny classes: MIAX PEARL Market Makers, and Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers.

^ Members may qualify for Maker Rebates equal to the greater of: (A) (\$0.40) for Penny Classes and (\$0.65) for Non-Penny Classes, or (B) the amount set forth in the applicable Tier reached by the Member in the relevant Origin, if the Member and their Affiliates execute at least 1.50% volume in the relevant month, in Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to the TCV in all MIAX PEARL listed option classes.

Except as otherwise set forth herein, the Volume Criteria is calculated based on the total monthly volume executed by the Member in all options classes on MIAX PEARL in the relevant Origin type, not including Excluded Contracts, (as the numerator) expressed as a percentage of (divided by) TCV (as the denominator). In Tier 4 for MIAX PEARL Market Makers, the alternative Volume Criteria (above 2.25% in SPY) is calculated based on the total monthly volume executed by the Market Maker solely in SPY options on MIAX PEARL in the relevant Origin type, not including Excluded Contracts, (as the numerator) expressed as a percentage of (divided by) SPY TCV (as the denominator). The per contract transaction rebates and fees shall be applied retroactively to all eligible volume once the threshold has been reached by Member. The Exchange

aggregates the volume of Members and their Affiliates in the Add/Remove Tiered Fees. The per contract transaction rebates and fees shall be waived for transactions executed during the opening and for transactions that uncross the ABBO.

The proposed changes are scheduled to become operative August 1, 2018.

b. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act¹⁸ in general, and furthers the objectives of Section 6(b)(4) of the Act,¹⁹ in that it is an equitable allocation of reasonable dues, fees and other charges among Exchange members and issuers and other persons using its facilities, and 6(b)(5) of the Act,²⁰ in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The proposed Maker rebate decrease in Penny classes and non-Penny classes applicable to Priority Customers in Tier 6 is reasonable, equitable and not unfairly discriminatory because all similarly situated market participants are subject to the same tiered rebates and fees and access to the Exchange is offered on terms that are not unfairly discriminatory. The Exchange believes it is equitable and not unfairly discriminatory to only offer this reduced taker fee to Priority Customer orders because a Priority Customer is, by definition, not a broker or dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). This limitation does not apply to participants

¹⁸ 15 U.S.C. 78f(b).

¹⁹ 15 U.S.C. 78f(b)(4).

²⁰ 15 U.S.C. 78f(b)(1) and (b)(5).

on the Exchange whose behavior is substantially similar to that of market professionals, who will generally submit a higher number of orders than Priority Customers. For competitive and business reasons, the Exchange initially set its Maker rebates for Priority Customer orders higher than certain other options exchanges that operate comparable maker/taker pricing models.²¹ The Exchange now believes that it is appropriate to further decrease those specified Maker rebates so that they are more in line with other exchanges, and will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and maintain market share.²²

The proposed Taker fee increases in certain specified Tiers applicable to orders submitted by MIAX PEARL Market Makers and Professional Members are reasonable, equitable and not unfairly discriminatory because all option orders of the same origin type are subject to the same tiered Taker fees and access to the Exchange is offered on terms that are not unfairly discriminatory. For competitive and business reasons, the Exchange initially set its Taker fees for MIAX PEARL Market Maker and Professional Member orders lower than certain other options exchanges that operate comparable maker/taker pricing models.²³ The Exchange now believes that it is appropriate to further increase those specified Taker fees so that they are more in line with other exchanges, and will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and maintain market share. The Exchange notes that, even as amended, its Taker fees for MIAX PEARL Market Makers and Professional Members are generally lower than certain other options exchanges operating competing models.²⁴ The Exchange believes for these reasons that increasing certain Taker fees for MIAX

²¹ See supra note 11.

²² See supra note 12

²³ See supra note 11.

²⁴ See supra note 12

PEARL Market Maker and Professional Member transactions in the specified Tiers is equitable, reasonable and not unfairly discriminatory, and thus consistent with the Act.

Furthermore, the proposed increases to the Taker fees for MIAX PEARL Market Maker and Professional Member transactions promotes just and equitable principles of trade, fosters cooperation and coordination with persons engaged in facilitating transactions in securities, and protects investors and the public interest, because even with the increases, the Exchange's proposed Taker fees for MIAX PEARL Market Maker and Professional Member orders still remain highly competitive with certain other options exchanges offering comparable pricing models, and should enable the Exchange to continue to attract order flow and maintain market share.²⁵ The Exchange believes that the amount of such fees, as proposed to be increased, will continue to encourage those market participants to send orders to the Exchange. To the extent that order flow is increased by the proposal, market participants will increasingly compete for the opportunity to trade on the Exchange, including sending more orders which will have the potential to be assessed lower fees and higher rebates than certain other competing options exchanges. The resulting increased volume and liquidity will benefit all Exchange participants by providing more trading opportunities and tighter spreads.

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

MIAX PEARL does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed changes in the specified Maker rebates and Taker fees for the applicable market participants should continue to encourage the provision of liquidity that enhances the quality of the Exchange's market and increases the number of trading opportunities

²⁵ See id.

on MIAX PEARL for all participants who will be able to compete for such opportunities. The proposed rule change should enable the Exchange to continue to attract and compete for order flow with other exchanges. However, this competition does not create an undue burden on competition but rather offers all market participants the opportunity to receive the benefit of competitive pricing.

The proposed Maker rebate decreases and Taker fee increases are intended to keep the Exchange's fees highly competitive with those of other exchanges, and to encourage liquidity and should enable the Exchange to continue to attract and compete for order flow with other exchanges. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its rebates and fees to remain competitive with other exchanges and to attract order flow. The Exchange believes that the proposed rule changes reflect this competitive environment because they modify the Exchange's fees in a manner that encourages market participants to continue to provide liquidity and to send order flow to the Exchange.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,²⁶ and Rule 19b-4(f)(2) thereunder²⁷ 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. Notice of proposed rule for publication in the Federal Register.

5. Applicable Section of the MIAX PEARL Fee Schedule.

²⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁷ 17 CFR 240.19b-4.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-PEARL-2018-17

August __, 2018

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX PEARL, LLC to Amend the MIAX PEARL 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 August 1, 2018, 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 MIAX PEARL Fee Schedule (the “Fee Schedule”).

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend the Add/Remove Tiered Rebates/Fees set forth in Section 1)a) of the Fee Schedule to (i) decrease Maker (as defined below) rebates in Tier 6 for options transactions in Penny classes (as defined below) and non-Penny classes (as defined below) for Priority Customers³; (ii) increase Taker (as defined below) fees in certain Tiers for options transactions in Penny classes and in all Tiers for options transactions in non-Penny classes for MIAX PEARL Market Makers⁴, and (iii) increase the Taker fees in all Tiers for options transactions in non-Penny classes for Non-Priority Customers, Firms, Broker-Dealers and Non-MIAX PEARL Market Makers (collectively herein “Professional Members”).

The Exchange currently assesses transaction rebates and fees to all market participants which are based upon the total monthly volume executed by the Member⁵ on MIAX PEARL in

³ “Priority Customer” means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). See Exchange Rule 100, including Interpretations and Policies .01.

⁴ “Market Maker” means a Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange. See the Definitions Section of the Fee Schedule and Exchange Rule 100.

⁵ “Member” means an individual or organization that is registered with the Exchange pursuant to Chapter II of the Exchange 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 the Definitions Section of the Fee Schedule and Exchange Rule 100.

the relevant, respective origin type (not including Excluded Contracts)⁶ expressed as a percentage of TCV.⁷ In addition, the per contract transaction rebates and fees are applied retroactively to all eligible volume for that origin type once the respective threshold tier (“Tier”) has been reached by the Member. The Exchange aggregates the volume of Members and their Affiliates.⁸ Members that place resting liquidity, i.e., orders resting on the book of the MIAX

⁶ “Excluded Contracts” means any contracts routed to an away market for execution. See the Definitions Section of the Fee Schedule.

⁷ “TCV” means total consolidated volume calculated as the total national volume in those classes listed on MIAX PEARL for the month for which the fees apply, excluding consolidated volume executed during the period time in which the Exchange experiences an “Exchange System Disruption” (solely in the option classes of the affected Matching Engine (as defined below)). The term Exchange System Disruption, which is defined in the Definitions section of the Fee Schedule, means an outage of a Matching Engine or collective Matching Engines for a period of two consecutive hours or more, during trading hours. The term Matching Engine, which is also defined in the Definitions section of the Fee Schedule, 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. The Exchange believes that it is reasonable and appropriate to select two consecutive hours as the amount of time necessary to constitute an Exchange System Disruption, as two hours equates to approximately 1.4% of available trading time per month. The Exchange notes that the term “Exchange System Disruption” and its meaning have no applicability outside of the Fee Schedule, as it is used solely for purposes of calculating volume for the threshold tiers in the Fee Schedule. See the Definitions Section of the Fee Schedule.

⁸ “Affiliate” means (i) an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm’s Form BD, Schedule A, or (ii) the Appointed Market Maker of an Appointed EEM (or, conversely, the Appointed EEM of an Appointed Market Maker). An “Appointed Market Maker” is a MIAX PEARL Market Maker (who does not otherwise have a corporate affiliation based upon common ownership with an EEM) that has been appointed by an EEM and an “Appointed EEM” is an EEM (who does not otherwise have a corporate affiliation based upon common ownership with a MIAX PEARL Market Maker) that has been appointed by a MIAX PEARL Market Maker, pursuant to the process described in the Fee Schedule. See the Definitions Section of the Fee Schedule.

PEARL System,⁹ are paid the specified “maker” rebate (each a “Maker”), and Members that execute against resting liquidity are assessed the specified “taker” fee (each a “Taker”). For opening transactions and ABBO uncrossing transactions, per contract transaction rebates and fees are waived for all market participants. Finally, Members are assessed lower transaction fees and receive lower rebates for order executions in standard option classes in the Penny Pilot Program¹⁰ (“Penny classes”) than for order executions in standard option classes which are not in the Penny Pilot Program (“non-Penny classes”), where Members are assessed higher transaction fees and receive higher rebates. Transaction rebates and fees in Section 1)a) of the Fee Schedule are currently assessed according to the following tables:

| | | | Per Contract Rebates/Fees for Penny Classes | | | | Per Contract Rebates/Fees for Non-Penny Classes | |
|-------------------|------|---------------------|---|--------|-----------|---------------------|---|--------|
| Origin | Tier | Volume Criteria | Maker | Taker* | SPY Taker | QQQ, IWM, VXX Taker | Maker | Taker |
| Priority Customer | 1 | 0.00% - 0.10% | (\$0.25) | \$0.48 | \$0.44 | \$0.47 | (\$0.85) | \$0.87 |
| | 2 | Above 0.10% - 0.35% | (\$0.40) | \$0.46 | \$0.43 | \$0.46 | (\$0.95) | \$0.86 |
| | 3 | Above 0.35% - 0.50% | (\$0.45) | \$0.44 | \$0.42 | \$0.44 | (\$1.00) | \$0.85 |
| | 4 | Above 0.50% - 0.75% | (\$0.52) | \$0.44 | \$0.41 | \$0.43 | (\$1.03) | \$0.84 |
| | 5 | Above 0.75% - 1.25% | (\$0.53) | \$0.44 | \$0.40 | \$0.42 | (\$1.04) | \$0.84 |
| | 6 | Above 1.25% | (\$0.54) | \$0.43 | \$0.38 | \$0.40 | (\$1.05) | \$0.84 |

* For all Penny Classes other than SPY, QQQ, IWM, and VXX.

⁹ The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

¹⁰ See Securities Exchange Act Release No. 83517 (June 25, 2018), 83 FR 30792 (June 29, 2018)(SR-PEARL-2018-14).

| | | | Per Contract Rebates/Fees for Penny Classes | | Per Contract Rebates/Fees for Non-Penny Classes | |
|------------------------------|------|---|---|--------|---|---------|
| Origin | Tier | Volume Criteria | Maker | Taker | Maker** | Taker** |
| All MIAX PEARL Market Makers | 1 | 0.00% - 0.15% | (\$0.25) | \$0.50 | (\$0.30) | \$1.05 |
| | 2 | Above 0.15% - 0.40% | (\$0.40) | \$0.50 | (\$0.30) | \$1.05 |
| | 3 | Above 0.40% - 0.65% | (\$0.40) | \$0.48 | (\$0.60) | \$1.03 |
| | 4 | Above 0.65% - 1.00% or Above 2.25% in SPY | (\$0.47) | \$0.43 | (\$0.65) | \$1.02 |
| | 5 | Above 1.00% - 1.40% | (\$0.48) | \$0.43 | (\$0.70) | \$1.02 |
| | 6 | Above 1.40% | (\$0.48) | \$0.43 | (\$0.85) | \$1.02 |

| | | | Per Contract Rebates/Fees for Penny Classes | | Per Contract Rebates/Fees for Non-Penny Classes | |
|---|------|---------------------|---|--------|---|---------|
| Origin | Tier | Volume Criteria | Maker^ | Taker | Maker**^ | Taker** |
| Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers | 1 | 0.00% - 0.15% | (\$0.25) | \$0.50 | (\$0.30) | \$1.05 |
| | 2 | Above 0.15% - 0.40% | (\$0.40) | \$0.50 | (\$0.30) | \$1.05 |
| | 3 | Above 0.40% - 0.65% | (\$0.40) | \$0.48 | (\$0.60) | \$1.04 |
| | 4 | Above 0.65% - 1.00% | (\$0.47) | \$0.48 | (\$0.65) | \$1.04 |
| | 5 | Above 1.00% - 1.40% | (\$0.48) | \$0.48 | (\$0.70) | \$1.04 |
| | 6 | Above 1.40% | (\$0.48) | \$0.48 | (\$0.85) | \$1.04 |

** Members may qualify for the Maker Rebate and the Taker Fee associated with the highest Tier for transactions in Non-Penny classes if the Member executes more than 0.30% volume in Non-Penny classes, not including Excluded Contracts, as compared to the TCV in all MIAX PEARL listed option classes. For purposes of qualifying for such rates, the Exchange will aggregate the volume transacted by Members and their Affiliates in the following Origin types in Non-Penny classes: MIAX PEARL Market Makers, and Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers.

^ Members may qualify for Maker Rebates equal to the greater of: (A) (\$0.40) for Penny Classes and (\$0.65) for Non-Penny Classes, or (B) the amount set forth in the applicable Tier reached by the Member in the relevant Origin, if the Member and their Affiliates execute at least 1.50% volume in the relevant month, in Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to the TCV in all MIAX PEARL listed option classes.

Except as otherwise set forth herein, the Volume Criteria is calculated based on the total monthly volume executed by the Member in all options classes on MIAX PEARL in the relevant Origin type, not including Excluded Contracts, (as the numerator) expressed as a percentage of (divided by) TCV (as the denominator). In Tier 4 for MIAX PEARL Market Makers, the alternative Volume Criteria (above 2.25% in SPY) is calculated based on the total monthly volume executed by the Market Maker solely in SPY options on MIAX PEARL in the relevant Origin type, not including Excluded Contracts, (as the numerator) expressed as a percentage of (divided by) SPY TCV (as the denominator). The per contract transaction rebates and fees shall be applied retroactively to all eligible volume once the threshold has been reached by Member. The Exchange

aggregates the volume of Members and their Affiliates in the Add/Remove Tiered Fees. The per contract transaction rebates and fees shall be waived for transactions executed during the opening and for transactions that uncross the ABBO.

Maker Rebates

The Exchange proposes to decrease the Maker rebate amounts in Tier 6 as described below for Penny and non-Penny classes for Priority Customers. Specifically, for Priority Customer options transactions in Penny classes, the Exchange proposes to decrease the Maker rebate in Tier 6 from (\$0.54) to (\$0.53). For Priority Customer options transactions in non-Penny classes, the Exchange proposes to decrease the Maker rebate in Tier 6 from (\$1.05) to (\$1.04).

Taker Fees

The Exchange proposes to: (i) increase the Taker fees assessable to MIAX PEARL Market Makers in certain Tiers for options transactions in Penny classes and in all Tiers for options transactions in non-Penny classes, and (ii) increase the Taker fees assessable to Professional Members in all tiers for options transactions in non-Penny classes. Specifically, the Exchange proposes to increase the Taker fees for MIAX PEARL Market Makers orders in options in Penny classes in Tier 4 from \$0.43 to \$0.47, in Tier 5 from \$0.43 to \$0.45 and in Tier 6 from \$0.43 to \$0.44. The Exchange also proposes to increase the Taker fee for MIAX PEARL Market Makers for options transactions in non-Penny classes in Tier 1 from \$1.05 to \$1.10, in Tier 2 from \$1.05 to \$1.10, in Tier 3 from \$1.03 to \$1.09, in Tier 4 from \$1.02 to \$1.08, in Tier 5 from \$1.02 to \$1.07 and in Tier 6 from \$1.02 to \$1.06. The Exchange proposes to increase the Taker fees for Professional Members for options transactions in non-Penny classes in Tier 1 from \$1.05 to \$1.10, in Tier 2 from \$1.05 to \$1.10, in Tier 3 from \$1.04 to \$1.10, in Tier 4 from \$1.04 to \$1.09, in Tier 5 from \$1.04 to \$1.08 and in Tier 6 from \$1.04 to \$1.07.

The purpose of increasing the specified Taker fees and decreasing the specified Maker rebates is for business and competitive reasons. As a new exchange, in order to attract order flow, the Exchange initially set its Maker rebates and Taker fees so that they were meaningfully higher/ lower than other options exchanges that operate comparable maker/taker pricing models.¹¹ The Exchange now believes that it is appropriate to further adjust these specified Maker rebates and Taker fees so that they are more in line with other exchanges, but will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and maintain market share.¹²

Cboe BZX Exchange, Inc. (“Cboe BZX”) generally provides for similar fees and rebates. For example, under threshold criteria similar to MIAX PEARL’s proposed rebates in Priority Customer Tier 6 for Penny Classes, Cboe BZX’s Customer Penny Pilot Add Tiers 5, 6 and 7 provides for a rebate of \$0.53.¹³ Additionally, under threshold criteria similar to MIAX PEARL’s proposed rebates in Priority Customer Tier 6 for non-Penny Classes, Cboe BZX provides for a rebate of \$1.02 in its Customer Non-Penny Pilot Add Tier 3, and a rebate of \$1.05, in Tier 4.¹⁴ Further, under threshold criteria similar to MIAX PEARL’s proposed Taker fees for Market Makers in Tiers 4, 5 and 6, in Penny Classes, Cboe BZX charges fees of \$0.44 and \$0.47 in its

¹¹ See Securities Exchange Act Release Nos. 80915 (June 13, 2017), 82 FR 27912 (June 19, 2017)(SR-PEARL-2017-29); 80914 (June 13, 2017), 82 FR 27910 (June 19, 2017)(SR-PEARL-2017-30).

¹² See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees.”

¹³ See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees,” “Customer Penny Pilot Add Tiers.”

¹⁴ See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees,” “Customer Non-Customer Penny Pilot Add Volume Tier.”

non-Customer Penny Pilot Take Volume Tiers for Market Makers.¹⁵ Additionally, similar to the Taker fees proposed by MIAX PEARL for Market Makers in non-Penny Classes, Cboe BZX charges Market Makers a fee of \$1.07 in its non-Customer, Non-Penny Pilot Take Volume Tiers.¹⁶ Furthermore, similar to the Taker fees proposed by MIAX PEARL for Professional Members in Non-Penny Classes, Cboe BZX charges Professionals a fee of \$1.07 in its Non-Customer, Non-Penny Pilot Take Volume Tiers.¹⁷

With all proposed changes, Section 1)a) of the Fee Schedule shall be the following:

| | | | Per Contract Rebates/Fees for Penny Classes | | | | Per Contract Rebates/Fees for Non-Penny Classes | |
|-------------------|------|---------------------|---|--------|-----------|---------------------|---|--------|
| Origin | Tier | Volume Criteria | Maker | Taker* | SPY Taker | QQQ, IWM, VXX Taker | Maker | Taker |
| Priority Customer | 1 | 0.00% - 0.10% | (\$0.25) | \$0.48 | \$0.44 | \$0.47 | (\$0.85) | \$0.87 |
| | 2 | Above 0.10% - 0.35% | (\$0.40) | \$0.46 | \$0.43 | \$0.46 | (\$0.95) | \$0.86 |
| | 3 | Above 0.35% - 0.50% | (\$0.45) | \$0.44 | \$0.42 | \$0.44 | (\$1.00) | \$0.85 |
| | 4 | Above 0.50% - 0.75% | (\$0.52) | \$0.44 | \$0.41 | \$0.43 | (\$1.03) | \$0.84 |
| | 5 | Above 0.75% - 1.25% | (\$0.53) | \$0.44 | \$0.40 | \$0.42 | (\$1.04) | \$0.84 |
| | 6 | Above 1.25% | (\$0.53) | \$0.43 | \$0.38 | \$0.40 | (\$1.04) | \$0.84 |

* For all Penny Classes other than SPY, QQQ, IWM, and VXX.

¹⁵ See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees,” “Non-Customer Penny Pilot Take Volume Tiers.”

¹⁶ See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees,” “Non-Customer Non-Penny Pilot Take Volume Tiers.”

¹⁷ See Cboe BZX Options Exchange Fee Schedule, under “Transaction Fees,” “Non-Customer Non-Penny Pilot Take Volume Tiers.”

| | | | Per Contract Rebates/Fees for Penny Classes | | Per Contract Rebates/Fees for Non-Penny Classes | |
|------------------------------|------|---|---|--------|---|---------|
| Origin | Tier | Volume Criteria | Maker | Taker | Maker** | Taker** |
| All MIAX PEARL Market Makers | 1 | 0.00% - 0.15% | (\$0.25) | \$0.50 | (\$0.30) | \$1.10 |
| | 2 | Above 0.15% - 0.40% | (\$0.40) | \$0.50 | (\$0.30) | \$1.10 |
| | 3 | Above 0.40% - 0.65% | (\$0.40) | \$0.48 | (\$0.60) | \$1.09 |
| | 4 | Above 0.65% - 1.00% or Above 2.25% in SPY | (\$0.47) | \$0.47 | (\$0.65) | \$1.08 |
| | 5 | Above 1.00% - 1.40% | (\$0.48) | \$0.45 | (\$0.70) | \$1.07 |
| | 6 | Above 1.40% | (\$0.48) | \$0.44 | (\$0.85) | \$1.06 |

| | | | Per Contract Rebates/Fees for Penny Classes | | Per Contract Rebates/Fees for Non-Penny Classes | |
|---|------|---------------------|---|--------|---|---------|
| Origin | Tier | Volume Criteria | Maker^ | Taker | Maker**^ | Taker** |
| Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers | 1 | 0.00% - 0.15% | (\$0.25) | \$0.50 | (\$0.30) | \$1.10 |
| | 2 | Above 0.15% - 0.40% | (\$0.40) | \$0.50 | (\$0.30) | \$1.10 |
| | 3 | Above 0.40% - 0.65% | (\$0.40) | \$0.48 | (\$0.60) | \$1.10 |
| | 4 | Above 0.65% - 1.00% | (\$0.47) | \$0.48 | (\$0.65) | \$1.09 |
| | 5 | Above 1.00% - 1.40% | (\$0.48) | \$0.48 | (\$0.70) | \$1.08 |
| | 6 | Above 1.40% | (\$0.48) | \$0.48 | (\$0.85) | \$1.07 |

** Members may qualify for the Maker Rebate and the Taker Fee associated with the highest Tier for transactions in Non-Penny classes if the Member executes more than 0.30% volume in Non-Penny classes, not including Excluded Contracts, as compared to the TCV in all MIAX PEARL listed option classes. For purposes of qualifying for such rates, the Exchange will aggregate the volume transacted by Members and their Affiliates in the following Origin types in Non-Penny classes: MIAX PEARL Market Makers, and Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers.

^ Members may qualify for Maker Rebates equal to the greater of: (A) (\$0.40) for Penny Classes and (\$0.65) for Non-Penny Classes, or (B) the amount set forth in the applicable Tier reached by the Member in the relevant Origin, if the Member and their Affiliates execute at least 1.50% volume in the relevant month, in Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to the TCV in all MIAX PEARL listed option classes.

Except as otherwise set forth herein, the Volume Criteria is calculated based on the total monthly volume executed by the Member in all options classes on MIAX PEARL in the relevant Origin type, not including Excluded Contracts, (as the numerator) expressed as a percentage of (divided by) TCV (as the denominator). In Tier 4 for MIAX PEARL Market Makers, the alternative Volume Criteria (above 2.25% in SPY) is calculated based on the total monthly volume executed by the Market Maker solely in SPY options on MIAX PEARL in the relevant Origin type, not including Excluded Contracts, (as the numerator) expressed as a percentage of (divided by) SPY TCV (as the denominator). The per contract transaction rebates and fees shall be applied retroactively to all eligible volume once the threshold has been reached by Member. The Exchange

aggregates the volume of Members and their Affiliates in the Add/Remove Tiered Fees. The per contract transaction rebates and fees shall be waived for transactions executed during the opening and for transactions that uncross the ABBO.

The proposed changes are scheduled to become operative August 1, 2018.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act¹⁸ in general, and furthers the objectives of Section 6(b)(4) of the Act,¹⁹ in that it is an equitable allocation of reasonable dues, fees and other charges among Exchange members and issuers and other persons using its facilities, and 6(b)(5) of the Act,²⁰ in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The proposed Maker rebate decrease in Penny classes and non-Penny classes applicable to Priority Customers in Tier 6 is reasonable, equitable and not unfairly discriminatory because all similarly situated market participants are subject to the same tiered rebates and fees and access to the Exchange is offered on terms that are not unfairly discriminatory. The Exchange believes it is equitable and not unfairly discriminatory to only offer this reduced taker fee to Priority Customer orders because a Priority Customer is, by definition, not a broker or dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). This limitation does not apply to participants on the Exchange whose behavior is substantially similar to that of market professionals, who will

¹⁸ 15 U.S.C. 78f(b).

¹⁹ 15 U.S.C. 78f(b)(4).

²⁰ 15 U.S.C. 78f(b)(1) and (b)(5).

generally submit a higher number of orders than Priority Customers. For competitive and business reasons, the Exchange initially set its Maker rebates for Priority Customer orders higher than certain other options exchanges that operate comparable maker/taker pricing models.²¹ The Exchange now believes that it is appropriate to further decrease those specified Maker rebates so that they are more in line with other exchanges, and will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and maintain market share.²²

The proposed Taker fee increases in certain specified Tiers applicable to orders submitted by MIAX PEARL Market Makers and Professional Members are reasonable, equitable and not unfairly discriminatory because all option orders of the same origin type are subject to the same tiered Taker fees and access to the Exchange is offered on terms that are not unfairly discriminatory. For competitive and business reasons, the Exchange initially set its Taker fees for MIAX PEARL Market Maker and Professional Member orders lower than certain other options exchanges that operate comparable maker/taker pricing models.²³ The Exchange now believes that it is appropriate to further increase those specified Taker fees so that they are more in line with other exchanges, and will still remain highly competitive such that they should enable the Exchange to continue to attract order flow and maintain market share. The Exchange notes that, even as amended, its Taker fees for MIAX PEARL Market Makers and Professional Members are generally lower than certain other options exchanges operating competing models.²⁴ The Exchange believes for these reasons that increasing certain Taker fees for MIAX PEARL Market Maker and Professional Member transactions in the specified Tiers is equitable, reasonable and not unfairly discriminatory, and thus consistent with the Act.

²¹ See supra note 11.

²² See supra note 12

²³ See supra note 11.

²⁴ See supra note 12

Furthermore, the proposed increases to the Taker fees for MIAX PEARL Market Maker and Professional Member transactions promotes just and equitable principles of trade, fosters cooperation and coordination with persons engaged in facilitating transactions in securities, and protects investors and the public interest, because even with the increases, the Exchange's proposed Taker fees for MIAX PEARL Market Maker and Professional Member orders still remain highly competitive with certain other options exchanges offering comparable pricing models, and should enable the Exchange to continue to attract order flow and maintain market share.²⁵ The Exchange believes that the amount of such fees, as proposed to be increased, will continue to encourage those market participants to send orders to the Exchange. To the extent that order flow is increased by the proposal, market participants will increasingly compete for the opportunity to trade on the Exchange, including sending more orders which will have the potential to be assessed lower fees and higher rebates than certain other competing options exchanges. The resulting increased volume and liquidity will benefit all Exchange participants by providing more trading opportunities and tighter spreads.

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

MIAX PEARL does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed changes in the specified Maker rebates and Taker fees for the applicable market participants should continue to encourage the provision of liquidity that enhances the quality of the Exchange's market and increases the number of trading opportunities on MIAX PEARL for all participants who will be able to compete for such opportunities. The proposed rule change should enable the Exchange to continue to attract and compete for order

²⁵ See id.

flow with other exchanges. However, this competition does not create an undue burden on competition but rather offers all market participants the opportunity to receive the benefit of competitive pricing.

The proposed Maker rebate decreases and Taker fee increases are intended to keep the Exchange's fees highly competitive with those of other exchanges, and to encourage liquidity and should enable the Exchange to continue to attract and compete for order flow with other exchanges. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its rebates and fees to remain competitive with other exchanges and to attract order flow. The Exchange believes that the proposed rule changes reflect this competitive environment because they modify the Exchange's fees in a manner that encourages market participants to continue to provide liquidity and to send order flow to the Exchange.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act,²⁶ and Rule 19b-4(f)(2)²⁷ 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

²⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁷ 17 CFR 240.19b-4(f)(2).

takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail to_rule-comments@sec.gov. Please include File Number SR-PEARL-2018-17 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-2018-17. 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-2018-17 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.²⁸

Brent J. Fields
Secretary

²⁸ 17 CFR 200.30-3(a)(12).

Exhibit 5

New text is underlined;

Deleted text is in [brackets]

MIAX PEARL Fee Schedule

1) Transaction Rebates/Fees

a) Exchange Rebates/Fees – Add/Remove Tiered Rebates/Fees

| | | | Per Contract Rebates/Fees for Penny Classes | | | | Per Contract Rebates/Fees for Non-Penny Classes | |
|-------------------|------|---------------------|---|--------|-----------|---------------------|---|--------|
| Origin | Tier | Volume Criteria | Maker | Taker* | SPY Taker | QQQ, IWM, VXX Taker | Maker | Taker |
| Priority Customer | 1 | 0.00% - 0.10% | (\$0.25) | \$0.48 | \$0.44 | \$0.47 | (\$0.85) | \$0.87 |
| | 2 | Above 0.10% - 0.35% | (\$0.40) | \$0.46 | \$0.43 | \$0.46 | (\$0.95) | \$0.86 |
| | 3 | Above 0.35% - 0.50% | (\$0.45) | \$0.44 | \$0.42 | \$0.44 | (\$1.00) | \$0.85 |
| | 4 | Above 0.50% - 0.75% | (\$0.52) | \$0.44 | \$0.41 | \$0.43 | (\$1.03) | \$0.84 |
| | 5 | Above 0.75% - 1.25% | (\$0.53) | \$0.44 | \$0.40 | \$0.42 | (\$1.04) | \$0.84 |
| | 6 | Above 1.25% | (\$0.54) <u>(\$0.53)</u> | \$0.43 | \$0.38 | \$0.40 | (\$1.05) <u>(\$1.04)</u> | \$0.84 |

* For all Penny Classes other than SPY, QQQ, IWM, and VXX.

| | | | Per Contract Rebates/Fees for Penny Classes | | Per Contract Rebates/Fees for Non-Penny Classes | |
|------------------------------|------|---|---|---------------------------------|---|---------------------------------|
| Origin | Tier | Volume Criteria | Maker | Taker | Maker** | Taker** |
| All MIAX PEARL Market Makers | 1 | 0.00% - 0.15% | (\$0.25) | \$0.50 | (\$0.30) | (\$1.05) <u>1.10</u> |
| | 2 | Above 0.15% - 0.40% | (\$0.40) | \$0.50 | (\$0.30) | (\$1.05) <u>1.10</u> |
| | 3 | Above 0.40% - 0.65% | (\$0.40) | \$0.48 | (\$0.60) | (\$1.03) <u>1.09</u> |
| | 4 | Above 0.65% - 1.00% or Above 2.25% in SPY | (\$0.47) | (\$0.43) <u>0.47</u> | (\$0.65) | (\$1.02) <u>1.08</u> |
| | 5 | Above 1.00% - 1.40% | (\$0.48) | (\$0.43) <u>0.45</u> | (\$0.70) | (\$1.02) <u>1.07</u> |
| | 6 | Above 1.40% | (\$0.48) | (\$0.43) <u>0.44</u> | (\$0.85) | (\$1.02) <u>1.06</u> |

| Origin | Tier | Volume Criteria | Per Contract Rebates/Fees for Penny Classes | | Per Contract Rebates/Fees for Non-Penny Classes | |
|---|------|---------------------|---|--------|---|----------------------|
| | | | Maker [^] | Taker | Maker ^{**^} | Taker ^{**} |
| Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers | 1 | 0.00% - 0.15% | (\$0.25) | \$0.50 | (\$0.30) | \$(1.05) <u>1.10</u> |
| | 2 | Above 0.15% - 0.40% | (\$0.40) | \$0.50 | (\$0.30) | \$(1.05) <u>1.10</u> |
| | 3 | Above 0.40% - 0.65% | (\$0.40) | \$0.48 | (\$0.60) | \$(1.04) <u>1.10</u> |
| | 4 | Above 0.65% - 1.00% | (\$0.47) | \$0.48 | (\$0.65) | \$(1.04) <u>1.09</u> |
| | 5 | Above 1.00% – 1.40% | (\$0.48) | \$0.48 | (\$0.70) | \$(1.04) <u>1.08</u> |
| | 6 | Above 1.40% | (\$0.48) | \$0.48 | (\$0.85) | \$(1.04) <u>1.07</u> |

** Members may qualify for the Maker Rebate and the Taker Fee associated with the highest Tier for transactions in Non-Penny classes if the Member executes more than 0.30% volume in Non-Penny classes, not including Excluded Contracts, as compared to the TCV in all MIAX PEARL listed option classes. For purposes of qualifying for such rates, the Exchange will aggregate the volume transacted by Members and their Affiliates in the following Origin types in Non-Penny classes: MIAX PEARL Market Makers, and Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers.

[^] Members may qualify for Maker Rebates equal to the greater of: (A) (\$0.40) for Penny Classes and (\$0.65) for Non-Penny Classes, or (B) the amount set forth in the applicable Tier reached by the Member in the relevant Origin, if the Member and their Affiliates execute at least 1.50% volume in the relevant month, in Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to the TCV in all MIAX PEARL listed option classes.

Except as otherwise set forth herein, the Volume Criteria is calculated based on the total monthly volume executed by the Member in all options classes on MIAX PEARL in the relevant Origin type, not including Excluded Contracts, (as the numerator) expressed as a percentage of (divided by) TCV (as the denominator). In Tier 4 for MIAX PEARL Market Makers, the alternative Volume Criteria (above 2.25% in SPY) is calculated based on the total monthly volume executed by the Market Maker solely in SPY options on MIAX PEARL in the relevant Origin type, not including Excluded Contracts, (as the numerator) expressed as a percentage of (divided by) SPY TCV (as the denominator). The per contract transaction rebates and fees shall be applied retroactively to all eligible volume once the threshold has been reached by Member. The Exchange aggregates the volume of Members and their Affiliates in the Add/Remove Tiered Fees. The per contract transaction rebates and fees shall be waived for transactions executed during the opening and for transactions that uncross the ABBO.
