

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 * <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)	

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"/>	

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 *).

Proposal to Amend the Fee Schedule Relating to Certain Transaction Fees.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Michael Last Name * Slade
 Title * Counsel
 E-mail * mslade@miami-holdings.com
 Telephone * (609) 897-8499 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 03/29/2019 Senior Vice President and Deputy General Counsel
 By Joseph Ferraro 

(Name *) jferraro@miami-holdings.com

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 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.

While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on April 1, 2019.

(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 Emerald Board of Directors on January 31, 2019. 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 changes.

Questions and comments on the proposed rule changes may be directed to Michael Slade, Counsel, at (609) 897-8499.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

The Exchange proposes to amend the Add/Remove Tiered Rebates/Fees set forth in Section 1)a) of the Fee Schedule to (i) establish that Members³ may qualify for an alternative lower Taker fee for Penny classes for their Firm Origin orders when trading contra to Origins other than Priority Customer⁴ if certain thresholds are satisfied by the Member; and (ii) change the volume criteria for Members to qualify for alternative Maker rebates for certain options transactions in all 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 Member on MIAX PEARL in the relevant, respective origin type (not including Excluded Contracts)⁵ expressed as a percentage of TCV.⁶ In addition, the per contract transaction rebates and fees are applied

³ “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.

⁴ “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.

⁵ “Excluded Contracts” means any contracts routed to an away market for execution. See the Definitions Section of the Fee Schedule.

⁶ “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

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.⁷ Members that place resting liquidity, i.e., orders resting on the book of the MIAX PEARL System,⁸ 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

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.

⁷ “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.

⁸ The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

Program⁹ (“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. Currently, transaction rebates and fees in Section 1)a) of the Fee Schedule for Professional Members are assessed according to the following table:

Origin	Tier	Volume Criteria	Per Contract Rebates/Fees for Penny Classes				Per Contract Rebates/Fees for Non-Penny Classes	
			Maker [^] (Contra Origins ex Priority Customer)	Maker [^] (Contra Priority Customer Origin)	Taker (Contra Origins ex Priority Customer)	Taker (Contra Priority Customer Origin)	Maker ^{**^}	Taker ^{**}
Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers	1	0.00% – 0.15%	(\$0.25)	(\$0.23)	\$0.50	\$0.50	(\$0.30)	\$1.10
	2	Above 0.15% – 0.40%	(\$0.40)	(\$0.38)	\$0.50	\$0.50	(\$0.30)	\$1.10
	3	Above 0.40% – 0.65%	(\$0.40)	(\$0.38)	\$0.49	\$0.50	(\$0.60)	\$1.10
	4	Above 0.65% – 1.00%	(\$0.47)	(\$0.45)	\$0.49	\$0.50	(\$0.65)	\$1.09
	5	Above 1.00% – 1.40%	(\$0.48)	(\$0.46)	\$0.48	\$0.50	(\$0.70)	\$1.08
	6	Above 1.40%	(\$0.48)	(\$0.46)	\$0.48	\$0.50	(\$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.

The Exchange proposes to establish an alternative lower Taker fee that Members may qualify for in Penny classes for their Firm Origin orders when trading against Origins other than

⁹ See Securities Exchange Act Release No. 79778 (January 12, 2017), 82 FR 6662 (January 19, 2017)(SR-PEARL-2016-01).

Priority Customer if certain thresholds are satisfied by the Member. Specifically, Members may qualify for Taker fees of \$0.48 for Penny classes for their Firm Origin when trading against Origins other than Priority Customer if the Member and their Affiliates: (1) execute at least 2.00% of TCV in the relevant month in the Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to TCV in all MIAX PEARL listed option classes; and (2) reach at least Tier 3 in the relevant month in the Professional Members Origin types. The proposed alternative lower Taker fee is specific to the Firm Origin and volume aggregation would still be based on Professional Members for tier purposes. Other Origins within Professional Members would still get the tier rate assigned in the Professional Members table as set forth in Section 1)a) of the Fee Schedule. The proposed change would not apply to Taker fees for Firm Origin orders in Penny classes that do not reach at least Tier 3 (Tier 1 and Tier 2) in the relevant month in the Professional Members Origin types. The proposed change would apply to Taker fees for Firm Origin orders in Penny classes that reach Tier 3 or Tier 4 in the relevant month in the Professional Members Origin types, in which Professional Members, including Firm, in those tiers are currently assessed a Taker fee of \$0.49 when trading against Origins other than Priority Customer. The proposed change would have no effect to Taker fees for Firm Origin orders in Penny classes in Tiers 5 and 6 in the relevant month in the Professional Members Origin types as the Taker fee in those tiers is already set at \$0.48 when trading against Origins other than Priority Customer.

The Exchange believes that by encouraging Members to execute at least 2.00% of TCV in the relevant month in the Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to TCV in all MIAX PEARL listed option classes, and to reach at least Tier 3 in the relevant month in the Professional Members Origins types in order to

qualify for a lower Taker fee of \$0.48 per contract for Firm orders trading against Origins other than Priority Customer, instead of the fee otherwise applicable to such orders in Tier 3 and Tier 4 for Professional Members in Penny classes, may increase volume of Firm and Priority Customer order flow. The Exchange believes that the increased order flow will result in increased liquidity, which benefits all Exchange participants by providing more trading opportunities and tighter spreads.

The Exchange also proposes to amend footnote “^” below the tables in the Add/Remove Tiered Rebates/Fees set forth in Section 1)a) of the Fee Schedule to increase the Priority Customer threshold in which Members may qualify for alternative Maker rebates for options transactions in all classes for Professional Members, provided that the Member meets certain volume criteria. Currently, 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.

The Exchange proposes to increase the Priority Customer threshold percentage amount in footnote “^” from at least 1.50% to at least 2.00% of 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, in order to qualify for the alternative Maker rebates. For example, if a Member met the monthly volume criteria and reached Tier 1 for Professional Members’ options transactions but reached the proposed increased Priority Customer monthly threshold of over 2.00% of TCV, the Member would receive a rebate of

(\$0.40) per contract trading against any contra in Penny classes (instead of (\$0.25) or (\$0.23) per contract) and (\$0.65) per contract in Non-Penny classes (instead of (\$0.30) per contract). The member would receive the Taker rates associated with the Tier, \$0.50 for Penny, trading against any contra, and \$1.10 for Non-Penny. For purposes of qualifying for such rates, the Exchange will continue to aggregate the Priority Customer volume transacted by Members and their Affiliates. As the amount and type of volume that is executed on the Exchange has shifted since it first established the alternative Maker rebates for options transactions in all classes for Professional Members, provided that the Member meets certain volume criteria,¹⁰ the Exchange has determined to level-set this threshold amount so that it is more reflective of the current operating conditions and the current type and amount of volume executed on the Exchange.

With all proposed changes, the transaction rebates and fees in Section 1)a) of the Fee Schedule for Professional Members shall be the following:

¹⁰ See Securities Exchange Act Release No. 83419 (June 12, 2018), 83 FR 28285 (June 18, 2018)(SR-PEARL-2018-13).

			Per Contract Rebates/Fees for Penny Classes				Per Contract Rebates/Fees for Non-Penny Classes	
Origin	Tier	Volume Criteria	Maker [^] (Contra Origins ex Priority Customer)	Maker [^] (Contra Priority Customer Origin)	Taker ^o (Contra Origins ex Priority Customer)	Taker (Contra Priority Customer Origin)	Maker ^{**^}	Taker ^{**}
Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers	1	0.00% – 0.15%	(\$0.25)	(\$0.23)	\$0.50	\$0.50	(\$0.30)	\$1.10
	2	Above 0.15% – 0.40%	(\$0.40)	(\$0.38)	\$0.50	\$0.50	(\$0.30)	\$1.10
	3	Above 0.40% – 0.65%	(\$0.40)	(\$0.38)	\$0.49	\$0.50	(\$0.60)	\$1.10
	4	Above 0.65% – 1.00%	(\$0.47)	(\$0.45)	\$0.49	\$0.50	(\$0.65)	\$1.09
	5	Above 1.00% – 1.40%	(\$0.48)	(\$0.46)	\$0.48	\$0.50	(\$0.70)	\$1.08
	6	Above 1.40%	(\$0.48)	(\$0.46)	\$0.48	\$0.50	(\$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 2.00% 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.

^o Members may qualify for Taker Fees of \$0.48 for Penny classes for their Firm Origin when trading against Origins not Priority Customer if the Member and their Affiliates: (1) execute at least 2.00% of TCV in the relevant month in the Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to TCV in all MIAX PEARL listed option classes, and (2) reach at least Tier 3 in the relevant month in the specified Origin types (Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers).

The proposed rule change is to become operative April 1, 2019.

b. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act¹¹ in general, and furthers the objectives of Section 6(b)(4) of the Act,¹² 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,¹³ in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange's proposal to establish an alternative Taker fee for Firm Origin when trading against Origins other than Priority Customer that will apply instead of the Taker fee otherwise applicable to such orders, if a certain threshold in the Priority Customer Origin and a certain tier level by Professional Members are satisfied by the member, is consistent with Section 6(b)(4) of the Act¹⁴ because it applies equally to all Members for their Firm Origin with similar order flow. The Exchange believes that the proposed alternative threshold by which any Member may qualify for the lower Taker fee of \$0.48 for Penny classes for their Firm Origin when trading against Origins other than Priority Customer instead of the Taker fee otherwise applicable to such orders is fair, equitable, and not unreasonably discriminatory because it will encourage Members to submit both Firm and Priority Customer orders, which will increase

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4).

¹³ 15 U.S.C. 78f(b)(1) and (b)(5).

¹⁴ 15 U.S.C. 78f(b)(4).

liquidity, which benefit all market participants by providing more trading opportunities and tighter spreads. The alternative Taker fee is reasonable because it will incentivize providers of Priority Customer order flow to send that Priority Customer order flow to the Exchange in order to obtain the highest volume threshold and receive a Taker fee in a manner that enables the Exchange to improve its overall competitiveness and strengthen its market quality for all market participants.

The proposal to increase the Priority Customer threshold for alternative Maker rebates for options transactions in all classes for Professional Members, provided that the Member meets certain volume criteria (the Member and their Affiliates execute at least 2.00% (instead of 1.50%) of 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), 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 that providing alternative Maker rebates for options transactions in all classes for Professional Members (if the Member meets certain volume criteria relating to Priority Customer volume), and adjusting the threshold requirements so that they are reflective of current operating conditions and the current type and amount of volume executed on the Exchange, will encourage Members to execute additional Priority Customer and Professional Member volume on the Exchange. The Exchange believes that additional Priority Customer and Professional Member volume executed on the Exchange will attract further liquidity to the Exchange, which in turn will benefit all market participants.

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

MIAX PEARL does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed changes to establish a lower Taker fee assessed to Firm Origin when trading contra to Origins other than Priority Customer and the change to the volume criteria for Members to qualify for alternative Maker rebates should continue to encourage the provision of liquidity that enhances the quality of the Exchange's markets 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 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 Exchange further believes that its proposal to establish a lower Taker fee that Members may qualify for in Penny classes for their Firm Origin when trading against Origins other than Priority Customer, provided that the Member meets certain volume criteria, that will apply instead of the Taker fee otherwise applicable to such orders, will not have an impact on intra-market competition. Specifically, the Exchange believes that the proposal to establish additional thresholds by which any Member may qualify for a Taker fee of \$0.48 per contract for their Firm Orders when trading against Origins other than Priority Customer, when Members and their Affiliates execute at least 2.00% of TCV in the relevant month in the Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to TCV in all MIAX PEARL listed option classes, and to reach at least Tier 3 in the relevant month in the specified Origin types, instead of the fee otherwise applicable to such orders in Tier 3 or Tier 4,

will increase volume of Firm and Priority Customer order flow. The Exchange believes that the increased order flow will result in increased liquidity which benefits all Exchange participants by providing more trading opportunities and tighter spreads. Because the proposal offers additional thresholds by which a Member can receive a lower Taker fee for their Firm Origin instead of the Taker fee otherwise applicable to such orders in Tier 3 or Tier 4, the Exchange believes that the proposed rule change will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange further believes that its proposal to increase the Priority Customer Threshold in which Members may qualify for alternative Maker rebates for options transactions in all classes for Professional Members, provided that the Member meets certain volume criteria, will not have an impact on intra-market competition. Specifically, the Exchange believes the proposal to increase the Priority Customer threshold that 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 2.00% 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, will not impose any burden on competition because the proposed increase is a level-setting change to keep up with the changes in the Exchange's market share and Members volume on the Exchange.

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 and rebates 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,¹⁵ and Rule 19b-4(f)(2) thereunder¹⁶ 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

The proposed rule change is not based on the rules of another exchange or of the Commission.

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.

¹⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁶ 17 CFR 240.19b-4.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. Applicable Section of the MIAX PEARL Fee Schedule.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-PEARL-2019-13

March ____, 2019

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 March 29, 2019, 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 the proposed rule change. The text of these statements may be examined at the places specified

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

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

1. Purpose

The Exchange proposes to amend the Add/Remove Tiered Rebates/Fees set forth in Section 1)a) of the Fee Schedule to (i) establish that Members³ may qualify for an alternative lower Taker fee for Penny classes for their Firm Origin orders when trading contra to Origins other than Priority Customer⁴ if certain thresholds are satisfied by the Member; and (ii) change the volume criteria for Members to qualify for alternative Maker rebates for certain options transactions in all 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 Member on MIAX PEARL in the relevant, respective origin type (not including Excluded Contracts)⁵ expressed as a percentage of TCV.⁶ In addition, the per contract transaction rebates and fees are applied

³ “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.

⁴ “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.

⁵ “Excluded Contracts” means any contracts routed to an away market for execution. See the Definitions Section of the Fee Schedule.

⁶ “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

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.⁷ Members that place resting liquidity, i.e., orders resting on the book of the MIAX PEARL System,⁸ 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

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.

⁷ “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.

⁸ The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

Program⁹ (“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. Currently, transaction rebates and fees in Section 1)a) of the Fee Schedule for Professional Members are assessed according to the following table:

Origin	Tier	Volume Criteria	Per Contract Rebates/Fees for Penny Classes				Per Contract Rebates/Fees for Non-Penny Classes	
			Maker [^] (Contra Origins ex Priority Customer)	Maker [^] (Contra Priority Customer Origin)	Taker (Contra Origins ex Priority Customer)	Taker (Contra Priority Customer Origin)	Maker ^{**^}	Taker ^{**}
Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers	1	0.00% – 0.15%	(\$0.25)	(\$0.23)	\$0.50	\$0.50	(\$0.30)	\$1.10
	2	Above 0.15% – 0.40%	(\$0.40)	(\$0.38)	\$0.50	\$0.50	(\$0.30)	\$1.10
	3	Above 0.40% – 0.65%	(\$0.40)	(\$0.38)	\$0.49	\$0.50	(\$0.60)	\$1.10
	4	Above 0.65% – 1.00%	(\$0.47)	(\$0.45)	\$0.49	\$0.50	(\$0.65)	\$1.09
	5	Above 1.00% – 1.40%	(\$0.48)	(\$0.46)	\$0.48	\$0.50	(\$0.70)	\$1.08
	6	Above 1.40%	(\$0.48)	(\$0.46)	\$0.48	\$0.50	(\$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.

The Exchange proposes to establish an alternative lower Taker fee that Members may qualify for in Penny classes for their Firm Origin orders when trading against Origins other than

⁹ See Securities Exchange Act Release No. 79778 (January 12, 2017), 82 FR 6662 (January 19, 2017)(SR-PEARL-2016-01).

Priority Customer if certain thresholds are satisfied by the Member. Specifically, Members may qualify for Taker fees of \$0.48 for Penny classes for their Firm Origin when trading against Origins other than Priority Customer if the Member and their Affiliates: (1) execute at least 2.00% of TCV in the relevant month in the Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to TCV in all MIAX PEARL listed option classes; and (2) reach at least Tier 3 in the relevant month in the Professional Members Origin types. The proposed alternative lower Taker fee is specific to the Firm Origin and volume aggregation would still be based on Professional Members for tier purposes. Other Origins within Professional Members would still get the tier rate assigned in the Professional Members table as set forth in Section 1)a) of the Fee Schedule. The proposed change would not apply to Taker fees for Firm Origin orders in Penny classes that do not reach at least Tier 3 (Tier 1 and Tier 2) in the relevant month in the Professional Members Origin types. The proposed change would apply to Taker fees for Firm Origin orders in Penny classes that reach Tier 3 or Tier 4 in the relevant month in the Professional Members Origin types, in which Professional Members, including Firm, in those tiers are currently assessed a Taker fee of \$0.49 when trading against Origins other than Priority Customer. The proposed change would have no effect to Taker fees for Firm Origin orders in Penny classes in Tiers 5 and 6 in the relevant month in the Professional Members Origin types as the Taker fee in those tiers is already set at \$0.48 when trading against Origins other than Priority Customer.

The Exchange believes that by encouraging Members to execute at least 2.00% of TCV in the relevant month in the Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to TCV in all MIAX PEARL listed option classes, and to reach at least Tier 3 in the relevant month in the Professional Members Origins types in order to qualify for a lower Taker fee of \$0.48 per contract for Firm orders trading against Origins other

than Priority Customer, instead of the fee otherwise applicable to such orders in Tier 3 and Tier 4 for Professional Members in Penny classes, may increase volume of Firm and Priority Customer order flow. The Exchange believes that the increased order flow will result in increased liquidity, which benefits all Exchange participants by providing more trading opportunities and tighter spreads.

The Exchange also proposes to amend footnote “^” below the tables in the Add/Remove Tiered Rebates/Fees set forth in Section 1)a) of the Fee Schedule to increase the Priority Customer threshold in which Members may qualify for alternative Maker rebates for options transactions in all classes for Professional Members, provided that the Member meets certain volume criteria. Currently, 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.

The Exchange proposes to increase the Priority Customer threshold percentage amount in footnote “^” from at least 1.50% to at least 2.00% of 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, in order to qualify for the alternative Maker rebates. For example, if a Member met the monthly volume criteria and reached Tier 1 for Professional Members’ options transactions but reached the proposed increased Priority Customer monthly threshold of over 2.00% of TCV, the Member would receive a rebate of (\$0.40) per contract trading against any contra in Penny classes (instead of (\$0.25) or (\$0.23) per contract) and (\$0.65) per contract in Non-Penny classes (instead of (\$0.30) per contract). The

member would receive the Taker rates associated with the Tier, \$0.50 for Penny, trading against any contra, and \$1.10 for Non-Penny. For purposes of qualifying for such rates, the Exchange will continue to aggregate the Priority Customer volume transacted by Members and their Affiliates. As the amount and type of volume that is executed on the Exchange has shifted since it first established the alternative Maker rebates for options transactions in all classes for Professional Members, provided that the Member meets certain volume criteria,¹⁰ the Exchange has determined to level-set this threshold amount so that it is more reflective of the current operating conditions and the current type and amount of volume executed on the Exchange.

With all proposed changes, the transaction rebates and fees in Section 1)a) of the Fee Schedule for Professional Members shall be the following:

Origin	Tier	Volume Criteria	Per Contract Rebates/Fees for Penny Classes				Per Contract Rebates/Fees for Non-Penny Classes	
			Maker [^] (Contra Origins ex Priority Customer)	Maker [^] (Contra Priority Customer Origin)	Taker ^o (Contra Origins ex Priority Customer)	Taker (Contra Priority Customer Origin)	Maker ^{**^}	Taker ^{**}
Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers	1	0.00% – 0.15%	(\$0.25)	(\$0.23)	\$0.50	\$0.50	(\$0.30)	\$1.10
	2	Above 0.15% – 0.40%	(\$0.40)	(\$0.38)	\$0.50	\$0.50	(\$0.30)	\$1.10
	3	Above 0.40% – 0.65%	(\$0.40)	(\$0.38)	\$0.49	\$0.50	(\$0.60)	\$1.10
	4	Above 0.65% – 1.00%	(\$0.47)	(\$0.45)	\$0.49	\$0.50	(\$0.65)	\$1.09
	5	Above 1.00% – 1.40%	(\$0.48)	(\$0.46)	\$0.48	\$0.50	(\$0.70)	\$1.08
	6	Above 1.40%	(\$0.48)	(\$0.46)	\$0.48	\$0.50	(\$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

¹⁰ See Securities Exchange Act Release No. 83419 (June 12, 2018), 83 FR 28285 (June 18, 2018)(SR-PEARL-2018-13).

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 2.00% 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.
- ◇ Members may qualify for Taker Fees of \$0.48 for Penny classes for their Firm Origin when trading against Origins not Priority Customer if the Member and their Affiliates: (1) execute at least 2.00% of TCV in the relevant month in the Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to TCV in all MIAX PEARL listed option classes, and (2) reach at least Tier 3 in the relevant month in the specified Origin types (Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers).

The proposed rule change is to become operative April 1, 2019.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act¹¹ in general, and furthers the objectives of Section 6(b)(4) of the Act,¹² 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,¹³ in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange's proposal to establish an alternative Taker fee for Firm Origin when trading against Origins other than Priority Customer that will apply instead of the Taker fee otherwise applicable to such orders, if a certain threshold in the Priority Customer Origin and a

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4).

¹³ 15 U.S.C. 78f(b)(1) and (b)(5).

certain tier level by Professional Members are satisfied by the member, is consistent with Section 6(b)(4) of the Act¹⁴ because it applies equally to all Members for their Firm Origin with similar order flow. The Exchange believes that the proposed alternative threshold by which any Member may qualify for the lower Taker fee of \$0.48 for Penny classes for their Firm Origin when trading against Origins other than Priority Customer instead of the Taker fee otherwise applicable to such orders is fair, equitable, and not unreasonably discriminatory because it will encourage Members to submit both Firm and Priority Customer orders, which will increase liquidity, which benefit all market participants by providing more trading opportunities and tighter spreads. The alternative Taker fee is reasonable because it will incentivize providers of Priority Customer order flow to send that Priority Customer order flow to the Exchange in order to obtain the highest volume threshold and receive a Taker fee in a manner that enables the Exchange to improve its overall competitiveness and strengthen its market quality for all market participants.

The proposal to increase the Priority Customer threshold for alternative Maker rebates for options transactions in all classes for Professional Members, provided that the Member meets certain volume criteria (the Member and their Affiliates execute at least 2.00% (instead of 1.50%) of 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), 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 that providing alternative Maker rebates for options transactions in all classes for Professional Members (if the Member meets certain volume criteria relating to Priority Customer volume), and adjusting the

¹⁴ 15 U.S.C. 78f(b)(4).

threshold requirements so that they are reflective of current operating conditions and the current type and amount of volume executed on the Exchange, will encourage Members to execute additional Priority Customer and Professional Member volume on the Exchange. The Exchange believes that additional Priority Customer and Professional Member volume executed on the Exchange will attract further liquidity to the Exchange, which in turn will benefit all market participants.

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

MIAX PEARL does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed changes to establish a lower Taker fee assessed to Firm Origin when trading contra to Origins other than Priority Customer and the change to the volume criteria for Members to qualify for alternative Maker rebates should continue to encourage the provision of liquidity that enhances the quality of the Exchange's markets 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 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 Exchange further believes that its proposal to establish a lower Taker fee that Members may qualify for in Penny classes for their Firm Origin when trading against Origins other than Priority Customer, provided that the Member meets certain volume criteria, that will apply instead of the Taker fee otherwise applicable to such orders, will not have an impact on intra-market competition. Specifically, the Exchange believes that the proposal to establish additional thresholds by which any Member may qualify for a Taker fee of \$0.48 per contract for

their Firm Orders when trading against Origins other than Priority Customer, when Members and their Affiliates execute at least 2.00% of TCV in the relevant month in the Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to TCV in all MIAX PEARL listed option classes, and to reach at least Tier 3 in the relevant month in the specified Origin types, instead of the fee otherwise applicable to such orders in Tier 3 or Tier 4, will increase volume of Firm and Priority Customer order flow. The Exchange believes that the increased order flow will result in increased liquidity which benefits all Exchange participants by providing more trading opportunities and tighter spreads. Because the proposal offers additional thresholds by which a Member can receive a lower Taker fee for their Firm Origin instead of the Taker fee otherwise applicable to such orders in Tier 3 or Tier 4, the Exchange believes that the proposed rule change will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange further believes that its proposal to increase the Priority Customer Threshold in which Members may qualify for alternative Maker rebates for options transactions in all classes for Professional Members, provided that the Member meets certain volume criteria, will not have an impact on intra-market competition. Specifically, the Exchange believes the proposal to increase the Priority Customer threshold that 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 2.00% 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, will not impose any burden on competition because the proposed increase is a level-setting change to keep up with the changes in the Exchange's market share and Members volume on the Exchange.

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 and rebates 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,¹⁵ and Rule 19b-4(f)(2)¹⁶ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

¹⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁶ 17 CFR 240.19b-4(f)(2).

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-2019-13 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-2019-13. 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-2019-13 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.¹⁷

Brent J. Fields
Secretary

¹⁷ 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 Taker	Maker	Taker
Priority Customer	1	0.00% - 0.10%	(\$0.25)	\$0.48	\$0.43	\$0.44	(\$0.85)	\$0.84
	2	Above 0.10% - 0.35%	(\$0.40)	\$0.48	\$0.43	\$0.44	(\$0.95)	\$0.84
	3	Above 0.35% - 0.50%	(\$0.45)	\$0.46	\$0.42	\$0.44	(\$1.00)	\$0.84
	4	Above 0.50% - 0.75%	(\$0.51)	\$0.45	\$0.41	\$0.43	(\$1.03)	\$0.84
	5	Above 0.75% - 1.25%	(\$0.52)	\$0.44	\$0.40	\$0.42	(\$1.04)	\$0.84
	6	Above 1.25%	(\$0.52)	\$0.43	\$0.38	\$0.40	(\$1.04)	\$0.84

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

			Per Contract Rebates/Fees for Penny Classes				Per Contract Rebates/Fees for Non-Penny Classes	
Origin	Tier	Volume Criteria	Maker (Contra Origins ex Priority Customer)	Maker (Contra Priority Customer Origin)	Taker (Contra Origins ex Priority Customer)	Taker (Contra Priority Customer Origin)	Maker**	Taker**
All MIAX PEARL Market Makers	1	0.00% - 0.15%	(\$0.25)	(\$0.23)	\$0.50	\$0.50	(\$0.30)	\$1.10
	2	Above 0.15% - 0.40% or Above 0.45% in SPY/QQQ/IWM	(\$0.40)	(\$0.38)	\$0.50	\$0.50	(\$0.30)	\$1.10
	3	Above 0.40% - 0.65%	(\$0.40)	(\$0.38)	\$0.49	\$0.50	(\$0.60)	\$1.09
	4	Above 0.65% - 1.00% or Above 2.25% in SPY	(\$0.47)	(\$0.45)	\$0.48	\$0.49	(\$0.65)	\$1.08
	5	Above 1.00% - 1.40%	(\$0.48)	(\$0.46)	\$0.46	\$0.47	(\$0.70)	\$1.07
	6	Above 1.40%	(\$0.48)	(\$0.47)	\$0.45	\$0.46	(\$0.85)	\$1.06

			Per Contract Rebates/Fees for Penny Classes				Per Contract Rebates/Fees for Non-Penny Classes	
Origin	Tier	Volume Criteria	Maker [^] (Contra Origins ex Priority Customer)	Maker [^] (Contra Priority Customer Origin)	Taker [◊] (Contra Origins ex Priority Customer)	Taker (Contra Priority Customer Origin)	Maker ^{**^}	Taker ^{**}
Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers	1	0.00% – 0.15%	(\$0.25)	(\$0.23)	\$0.50	\$0.50	(\$0.30)	\$1.10
	2	Above 0.15% – 0.40%	(\$0.40)	(\$0.38)	\$0.50	\$0.50	(\$0.30)	\$1.10
	3	Above 0.40% – 0.65%	(\$0.40)	(\$0.38)	\$0.49	\$0.50	(\$0.60)	\$1.10
	4	Above 0.65% – 1.00%	(\$0.47)	(\$0.45)	\$0.49	\$0.50	(\$0.65)	\$1.09
	5	Above 1.00% – 1.40%	(\$0.48)	(\$0.46)	\$0.48	\$0.50	(\$0.70)	\$1.08
	6	Above 1.40%	(\$0.48)	(\$0.46)	\$0.48	\$0.50	(\$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]2.00% 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.

◊ Members may qualify for Taker Fees of \$0.48 for Penny classes for their Firm Origin when trading against Origins not Priority Customer if the Member and their Affiliates: (1) execute at least 2.00% of TCV in the relevant month in the Priority Customer Origin type, in all options classes, not including Excluded Contracts, as compared to TCV in all MIAX PEARL listed option classes, and (2) reach at least Tier 3 in the relevant month in the specified Origin types (Non-Priority Customer, Firm, BD, and Non-MIAX PEARL Market Makers).

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 2 for MIAX PEARL Market Makers, the alternative Volume Criteria (above 0.45% in SPY/QQQ/IWM) is calculated based on the total monthly volume executed by the Market Maker collectively in SPY, QQQ, and IWM options on MIAX PEARL in the relevant Origin type, not including Excluded Contracts, (as the numerator) expressed as a percentage of (divided by) SPY/QQQ/IWM 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.
