

Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to File Number SR–MSRB–2022–10. This file number should be included on the subject line if email 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 website (<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 MSRB. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–MSRB–2022–10 and should be submitted on or before January 12, 2023.

For the Commission, pursuant to delegated authority.<sup>34</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–96523; File No. SR–PEARL–2022–58]

### Self-Regulatory Organizations; MIA X PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule Relating to FINRA Fees

December 16, 2022.

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act

of 1934 (“Act”)<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on December 8, 2022, MIA X PEARL, LLC (“MIA X 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 MIA X Pearl Options Fee Schedule (the “Fee Schedule”) to reflect adjustments to the Financial Industry Regulatory Authority, Inc. (“FINRA”) Registration Fees and Fingerprinting Fees.

While the changes proposed herein are effective upon filing, the Exchange has designated the additional processing of each initial or amended Form U4, Form U5 or Form BD and electronic Fingerprint Processing Fees to become operative on January 2, 2023. Additionally, the Exchange designates that the FINRA Annual System Processing Fee Assessed only during Renewals become operative on January 2, 2024.<sup>3</sup> The amendments to the paper Fingerprint Fees are immediately effective.

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> See Securities Exchange Act Release No. 90176 (October 14, 2020), 85 FR 66592 (October 20, 2020) (SR–FINRA–2020–032) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adjust FINRA Fees to Provide Sustainable Funding for FINRA's Regulatory Mission).

#### 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 Section 2)c) of the Fee Schedule, Web CRD Fees, to reflect adjustments to the FINRA Registration Fees and Fingerprinting Fees.<sup>4</sup> The FINRA fees are collected and retained by FINRA via Web CRD for the registration of employees of Exchange Members<sup>5</sup> organizations that are not also FINRA members (“Non-FINRA members”). The Exchange merely lists these fees in its Fee Schedule. The Exchange does not collect or retain these fees.

The Exchange proposes to amend: (1) the \$110 fee for the additional processing of each initial or amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment, or certification or one or more disclosure events or proceedings to \$155; (2) the \$45 FINRA Annual System Processing Fee Assessed only during Renewals to \$70; and (3) the \$15 Second Submission (Electronic) Fingerprint Processing Fee to \$20. Each of these fees are listed within Section 2)c) of the Fee Schedule, Web CRD Fees. These amendments are being made in accordance with a FINRA rule change to adjust to its fees.<sup>6</sup>

The Exchange also proposes to amend the following Fingerprint Fees: (1) the \$29.50 Initial Submission (Electronic) fee to \$31.25;<sup>7</sup> (2) the \$44.50 Initial Submission (Paper) fee to \$41.25;<sup>8</sup> (3) the \$29.50 Third Submission (Electronic) fee to \$31.25;<sup>9</sup> and (4) the \$44.50 Third Submission (Paper) fee to \$41.25.<sup>10</sup> Specifically, today, the FBI

<sup>4</sup> FINRA operates Web CRD, the central licensing and registration system for the U.S. securities industry. FINRA uses Web CRD to maintain the qualification, employment and disciplinary histories or registered associated persons of broker-dealers.

<sup>5</sup> The term “Member” means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

<sup>6</sup> See note 3. FINRA noted in its rule change that it was adjusting its fees to provide sustainable funding for FINRA's regulatory mission.

<sup>7</sup> This fee includes a \$20.00 FINRA fee and \$11.25 FBI fee. See <https://www.finra.org/registration-exams-ce/classic-crd/fingerprints/fingerprint-fees>.

<sup>8</sup> This fee includes a \$30.00 FINRA fee and a \$11.25 FBI fee. See <https://www.finra.org/registration-exams-ce/classic-crd/fingerprints/fingerprint-fees>.

<sup>9</sup> This fee includes a \$20.00 FINRA fee and \$11.25 FBI fee. See <https://www.finra.org/registration-exams-ce/classic-crd/fingerprints/fingerprint-fees>.

<sup>10</sup> This fee includes a \$30.00 FINRA fee and a \$11.25 FBI fee. See <https://www.finra.org/>

<sup>34</sup> 17 CFR 200.30–3(a)(12).

fingerprint charge is \$11.25<sup>11</sup> and the FINRA electronic Fingerprint Fee will increase from \$15 to \$20 in 2023.<sup>12</sup> While FINRA did not amend the paper Fingerprint Fee, previously the FBI fee was reduced from \$14.50 to \$11.25.<sup>13</sup> The paper Fingerprint Fees are not currently reflecting the amount assessed by FINRA. The amendment to the paper Fingerprint Fees will conform these fees with those of FINRA.

The FINRA Web CRD Fees are user-based, and there is no distinction in the cost incurred by FINRA if the user is a FINRA member or a Non-FINRA member. Accordingly, the proposed fees mirror those currently assessed by FINRA.

## 2. Statutory Basis

The Exchange believes the proposal is consistent with Section 6(b) of the Act,<sup>14</sup> in general, and Sections 6(b)(4) and 6(b)(5) of the Act,<sup>15</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes it is reasonable to increase: (1) the \$110 fee for the additional processing of each initial or amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment, or certification or one or more disclosure events or proceedings to \$155; (2) the \$45 FINRA Annual System Processing Fee Assessed only during Renewals to \$70; and (3) the electronic Fingerprint Fees from \$15 to \$20 in accordance with an adjustment to FINRA's fees<sup>16</sup> because the proposed fees are identical to those adopted by FINRA for use of Web CRD for disclosure and the registration of FINRA members and their associated persons.

Those costs are borne by FINRA when a Non-FINRA member uses Web CRD. The Exchange's rule text will reflect the current registration and electronic

*registration-exams-ce/classic-crd/fingerprints/fingerprint-fees.*

<sup>11</sup> See Securities Exchange Act Release No. 67247 (June 25, 2012) 77 FR 38866 (June 29, 2012) (SR-FINRA-2012-030) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Sections 4 and 6 of Schedule A to the FINRA By-Laws Regarding Fees Relating to the Central Registration Depository) ("2012 Rule Change").

<sup>12</sup> See note 3.

<sup>13</sup> See 2012 Rule Change at note 11. The FBI does not charge its fee on a second fingerprint transaction when it identifies the first set of fingerprints as illegible for the same individual.

<sup>14</sup> 15 U.S.C. 78f(b).

<sup>15</sup> 15 U.S.C. 78f(b)(5).

<sup>16</sup> The \$20 FINRA Fee is in addition to the \$11.25 FBI Fee except for the second fingerprint transaction.

fingerprint rates that will be assessed by FINRA as of January 2, 2023 for the additional processing of each initial or amended Form U4, Form U5 or Form BD and Second Submission (Electronic) Fingerprint Processing Fee and the registration rates that will be assessed by FINRA as of January 2, 2024 for the FINRA Annual System Processing Fee Assessed only during Renewals.<sup>17</sup>

The Exchange believes it is reasonable to correct the paper Fingerprint Fees to reflect the reduced FBI Fee of \$11.25.<sup>18</sup> The amendments to the paper Fingerprint Fees will provide all MIAX Pearl Options Electronic Exchange Member and Market Maker organizations with the correct Fingerprint Fees.

The Exchange believes it is equitable and not unfairly discriminatory to increase: (1) the \$110 fee for the additional processing of each initial or amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment, or certification or one or more disclosure events or proceedings to \$155; (2) the \$45 FINRA Annual System Processing Fee Assessed only during Renewals to \$70; and (3) the electronic Fingerprint Fees from \$15 to \$20 in accordance with an adjustment to FINRA's fees<sup>19</sup> because the Exchange will not be collecting or retaining these fees, therefore, the Exchange will not be in a position to apply them in an inequitable or unfairly discriminatory manner. Similarly, the Exchange believes it is equitable and not unfairly discriminatory to correct the paper Fingerprint Fees to reflect the reduced FBI Fee of \$11.25<sup>20</sup> because the Exchange will not be collecting or retaining these fees, therefore, the Exchange will not be in a position to apply them in an inequitable or unfairly discriminatory manner.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that its proposal to increase: (1) the \$110 fee for the additional processing of each initial or

<sup>17</sup> See note 3.

<sup>18</sup> See 2012 Rule Change at note 11. The FBI does not charge its fee on a second fingerprint transaction when it identifies the first set of fingerprints as illegible for the same individual.

<sup>19</sup> The \$20 FINRA Fee is in addition to the \$11.25 FBI Fee except for the second fingerprint transaction.

<sup>20</sup> See 2012 Rule Change at note 11. The FBI does not charge its fee on a second fingerprint transaction when it identifies the first set of fingerprints as illegible for the same individual.

amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment, or certification or one or more disclosure events or proceedings to \$155; (2) the \$45 FINRA Annual System Processing Fee Assessed only during Renewals to \$70; and (3) the electronic Fingerprint Fees from \$15 to \$20 in accordance with an adjustment to FINRA's fees<sup>21</sup> does not impose an undue burden on competition because the Exchange will not be collecting or retaining these fees, therefore, the Exchange will not be in a position to apply them in an inequitable or unfairly discriminatory manner. The proposal will reflect the fees that will be assessed by FINRA to all Members who register or require fingerprints as of January 2, 2023, and January 2, 2024 respectively.

Similarly, the Exchange believes it does not impose an undue burden on competition to correct the paper Fingerprint Fees to reflect the reduced FBI Fee of \$11.25 because the Exchange will not be collecting or retaining these fees, therefore, the Exchange will not be in a position to apply them in an inequitable or unfairly discriminatory manner.

## 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,<sup>22</sup> and Rule 19b-4(f)(2)<sup>23</sup> 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

<sup>21</sup> The \$20 FINRA Fee is in addition to the \$11.25 FBI Fee except for the second fingerprint transaction.

<sup>22</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>23</sup> 17 CFR 240.19b-4(f)(2).

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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-PEARL-2022-58 on the subject line.

#### Paper Comments

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

All submissions should refer to File Number SR-PEARL-2022-58. This file number should be included on the subject line if email 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 website (<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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-PEARL-2022-58 and should be submitted on or before January 12, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>24</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

[FR Doc. 2022-27790 Filed 12-21-22; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-96520; File No. SR-FINRA-2022-021]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Partial Amendment No. 1 to Proposed Rule Change To Adopt Supplementary Material .18 (Remote Inspections Pilot Program) Under FINRA Rule 3110 (Supervision)

December 16, 2022.

#### I. Introduction

On July 28, 2022, the Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change (SR-FINRA-2022-021) to amend FINRA Rule 3110 (Supervision) to adopt a voluntary, three-year remote inspection pilot program to allow member firms to elect to fulfill their obligation under Rule 3110(c) (Internal Inspections) by conducting inspections of some or all branch offices and locations remotely without an on-site visit to such office or location, subject to specified terms.

The proposed rule change was published for public comment in the **Federal Register** on August 15, 2022.<sup>3</sup> On September 23, 2022, FINRA consented to an extension of the time period in which the Commission must approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change to November 11, 2022.<sup>4</sup> On November 9, 2022, FINRA filed a letter stating that it was considering comments received in response to the Notice, and anticipated submitting a response and amendments to the proposed rule change in the near future.<sup>5</sup> On November 10, 2022, the Commission filed an order instituting proceedings to determine whether to

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Exchange Act Release No. 95452 (August 9, 2022), 87 FR 50144 (August 15, 2022) (File No. SR-FINRA-2022-021) ("Notice").

<sup>4</sup> See letter from Sarah Kwak, Associate General Counsel, Office of General Counsel, FINRA, to Daniel Fisher, Branch Chief, Division of Trading and Markets, Commission, dated September 23, 2022.

<sup>5</sup> See letter from Sarah Kwak, Associate General Counsel, Office of General Counsel, FINRA, to Vanessa Countryman, Secretary, SEC, dated November 9, 2022.

approve or disapprove the proposed rule change.<sup>6</sup> The Commission received several comments on the proposed rule change.<sup>7</sup>

On December 15, 2022, FINRA responded to the comment letters received on the Notice and OIP<sup>8</sup> and filed a partial amendment to the proposed rule change in response to certain comments on the proposed rule change ("Partial Amendment No. 1"). Partial Amendment No. 1 is described in Item II below, which has been substantially prepared by FINRA.<sup>9</sup> The Commission is publishing this notice to solicit comments on Partial Amendment No. 1 from interested persons.<sup>10</sup>

#### II. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Partial Amendment

FINRA is proposing the following amendments to the filing:

##### 1. FINRA Proposes To Amend Proposed Rule 3110.18(b) by Adding Subpart (2)

In light of concerns raised by commenters that a firm might not appropriately consider certain higher risk criteria in conducting its risk assessment, FINRA is proposing to add new paragraph (b)(2) to proposed Rule 3110.18 that would provide a non-exhaustive list of factors that a firm must consider and document. In addition, proposed new paragraph (b)(2) would further provide that consistent with Rule 3110.12, members should conduct on-site inspections or make more frequent use of unannounced, on-site inspections for high-risk locations or where there are "red flags." Following are the changes proposed in this Partial Amendment No. 1, with the proposed changes in the original filing shown as if adopted. Proposed new language in this Partial Amendment No. 1 is italicized; proposed deletions in this Partial Amendment No. 1 are in brackets:

<sup>6</sup> See Exchange Act Release No. 96297 (November 10, 2022), 87 FR 68774 (November 16, 2022) (File No. SR-FINRA-2022-021) ("OIP").

<sup>7</sup> Comments received on the Notice and OIP are available on the Commission's website at <https://www.sec.gov/comments/sr-finra-2022-021/srfinra2022021.htm>.

<sup>8</sup> See letter from Kosha Dalal, Vice President and Associate General Counsel, Office of General Counsel, FINRA, to Vanessa Countryman, Secretary, Commission, dated December 15, 2022, available at <https://www.sec.gov/comments/sr-finra-2022-021/srfinra2022021-20152889-320539.pdf>.

<sup>9</sup> The Commission has reformatted FINRA's presentation of its proposed modifications to, and descriptions of, the proposed rule change.

<sup>10</sup> Partial Amendment No. 1 is also available on FINRA's website at <https://www.finra.org/sites/default/files/2022-12/sr-finra-2022-021-amendment-no-1-proposed-rule-change.pdf>.

<sup>24</sup> 17 CFR 200.30-3(a)(12).