

MIAX Pearl Equities Exchange Regulatory Circular 2022-08

DATE: September 21, 2022

TO: MIAX Pearl Equities Members

FROM: MIAX Regulatory Department

RE: New Clearly Erroneous Execution Rule 2621 Effective October 1, 2022

Effective October 1, 2022, MIAX Pearl Equities (the “Exchange”), in coordination with all U.S. equities exchanges, will update the existing clearly erroneous execution (“CEE”) rules and procedures. CEE filing procedures require filings to be submitted online using the [Clearly Erroneous Execution Form](#).

The new CEE rule will eliminate CEE reviews during Regular Trading Hours when Price Bands are in effect. Thus, trades executed within the Price Bands will stand barring one of the following scenarios where a CEE review may still occur.

If the execution time of the transaction(s) under review is during Regular Trading Hours, the transaction will not be reviewable as clearly erroneous unless the transaction:

- is an NMS Stock that is not subject to the Limit Up/Limit Down (“LULD”) Plan;
- was executed at a time when Price Bands under the LULD Plan were not available, or is the result of an Exchange technology or systems issue that results in the transaction occurring outside of the applicable LULD Price Bands pursuant to Exchange Rule 2621(g), or is executed after the primary listing market for the security declares a regulatory trading halt, suspension, or pause pursuant to Exchange Rule 2621(i). A transaction subject to review pursuant to this paragraph shall be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price, described in Exchange Rule 2621(d), by an amount that equals or exceeds the applicable Percentage Parameter defined in Appendix A to the LULD Plan (“Percentage Parameters”); or
- involved, in the case of (1) a corporate action or new issue or (2) a security that enters a Trading Pause pursuant to the LULD Plan and resumes trading without an auction, a Reference Price that is determined to be erroneous by an Officer of the Exchange because it clearly deviated from the theoretical value of the security. In such circumstances, the Exchange may use a different Reference Price pursuant to Exchange Rule 2621(d)(2). A transaction subject to review pursuant to this paragraph shall be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the new Reference Price by an amount that equals or exceeds the applicable Numerical Guidelines or Percentage Parameters, as applicable depending on whether the security is subject to the LULD Plan.

Direct Regulatory inquiries to Regulatory@MIAXEquities.com or (609) 897-7309.