

## MIAX Pearl Equities Exchange Regulatory Circular 2023-11

**DATE:** June 22, 2023

**TO:** MIAX Pearl Equity Members

**FROM:** MIAX Regulatory Department

**RE:** MIAX Pearl Equities Announces New Risk Controls and Enhancements to the Route to Primary Auction (“PAC”) Routing Option

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### **New Risk Controls**

Beginning June 27, 2023, MIAX Pearl Equities will offer two additional optional risk settings to Equity Members: (1) Gross Notional Open and Trade Value Protection and (2) Net Notional Open and Trade Value Protection.

MIAX Pearl Equities Rule 2618(a)(2) sets forth the specific cumulative risk settings the Exchange offers. These include Gross Notional Trade Value Protection, Net Notional Trade Value Protection, Gross Notional Open Value Protection, and Net Notional Open Value Protection.

The new Gross Notional Open and Trade Value Protection is a combination of the existing Gross Notional Open Value Protection and Gross Notional Trade Value Protection and includes both purchases and sales, as well as open buy and sell orders across all symbols. Like the existing gross calculated risk settings, purchases, sales, open orders to buy, and open orders to sell will be counted as positive values and a combination of executed and unexecuted orders will be included.

Meanwhile, the Net Notional Open and Trade Value Protection is a combination of the Net Notional Open Value Protection and Net Notional Trade Value Protection and also includes purchases and sales as well as open buy and sell orders across all symbols. Like the existing net calculated risk settings, purchases and open orders to buy will be counted as positive values and sales and open orders to sell would be counted as negative values and, like above for the Gross Notional Open and Trade Value risk control, both executed and unexecuted orders will be included.

### **PAC Routing Option Enhancements**

MIAX Pearl Equities offers the Primary Auction (“PAC”) routing strategy that enables Equity Members to route their Market and Displayed Limit Orders to participate in the primary listing market’s opening, re-opening, or closing auctions.

#### **Retail PAC Routing**

MIAX Pearl Equities Rule 2626 defines Retail Orders and sets forth the requirements that Equity Members must complete prior to sending Retail Orders to the Exchange. Equity Members that seek to become a Retail Member

Organization (“RMO”)<sup>1</sup> must complete an attestation form required by the Exchange that substantially all orders submitted as Retail Orders will qualify as such under Exchange Rule 2626. Such Equity Members must then be approved by the Exchange as a RMO and then may designate a Retail Order to be identified as Retail on the Exchange’s proprietary data feeds on an order-by-order or port-by-port basis pursuant to Exchange Rule 2626(f). Beginning June 26, 2023, MIAx Pearl Equities will allow those same Equity Members that are approved as RMOs to identify Retail Orders as Retail when routed to the primary listing market’s opening, re-opening, or closing process pursuant to the PAC routing option, so that such order may receive preferred pricing available to Retail Orders offered by the primary listing market.

### **Routing to Closing Auction Time Update**

Currently, MIAx Pearl Equities begins to route orders to participate in the primary listing market’s closing auction at 3:49:59 p.m. Eastern Time. Beginning June 28, 2023, MIAx Pearl Equities will move this time forward and begin to route orders to participate in the primary listing market’s closing auction at 3:57:00 p.m. Eastern Time.

The routing deadlines to participate in the primary listing market’s opening and re-opening auctions will remain unchanged. As such, MIAx Pearl Equities will continue to route orders to participate in the primary listing market’s opening auction upon receipt and re-opening auction upon the announcement of a regulatory halt.

Information regarding changes to the interface specifications can be found [here](#).

For additional details about MIAx Pearl Equities, please contact Sales at [sales@miaxglobal.com](mailto:sales@miaxglobal.com) or (609) 897-8177.

For questions regarding the PAC routing strategy or the enhanced risk settings, please contact Trading Operations at [tradingoperations@miaxglobal.com](mailto:tradingoperations@miaxglobal.com) or (609) 897-7302.

Regulatory inquiries should be directed to [regulatory@miaxglobal.com](mailto:regulatory@miaxglobal.com) or (609) 897-7309.

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<sup>1</sup> A “Retail Member Organization” or “RMO” is an Equity Member (or a division thereof) that has been approved by the Exchange under Exchange Rule 2626 to submit Retail Orders. See Exchange Rule 2626(a)(1).