

## MIAX Pearl Equities Exchange Regulatory Circular 2024-10

**DATE:** July 1, 2024  
**TO:** MIAX Pearl Equities Members  
**FROM:** MIAX Regulatory Department  
**RE:** Changes to Certain Risk Controls on MIAX Pearl Equities

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Effective July 9, 2024, MIAX Pearl Equities Exchange, Inc. (the "Exchange") will amend Exchange Rule 2618(b) to enhance the operation of the Trading Collar available on the Exchange's equity trading platform.

The Exchange's default behavior is to calculate the Trading Collar price range for a security by applying the numerical guidelines for Clearly Erroneous Executions or a specified dollar value established by the Exchange. Exchange Rule 2618(b)(1)(F) provides Equity Members the ability to override the Exchange's default behavior and provides that, for Market Orders only, Equity Members may override the above default behavior on an order-by-order basis by selecting a custom dollar value lower than the Exchange specified percentages and dollar value. Exchange Rule 2618(b)(1)(F) will be expanded to include Limit Orders and Pegged Orders, in addition to Market Orders (current behavior).

Exchange Rule 2618(b)(1)(F) will also be amended to allow Equity Members to select a dollar value lower (current behavior), higher, or equal to the Exchange-specified percentages and dollar value on an order-by-order basis. In other words, Equity Members may select a dollar value equal to, more, or less conservative than the Exchange's specified percentages and dollar value. This will allow Equity Members to select their dollar value to calculate the Trading Collar, enabling them to access an order that may otherwise be outside the Trading Collar if the Trading Collar was calculated based on the Exchange's specified percentages and dollar value. Importantly, this change will allow Equity Members to select a dollar value more aggressive than the Exchange's defaults but also be more conservative in cases where they seek to apply a tighter Trading Collar in line with their risk appetite. The ability to override the Exchange's specified percentages and dollar value will be completely voluntary, and all orders will continue to be subject to other risk protections provided by the Exchange regardless of the width of the Trading Collar.

Complete details regarding the amendment can be found in the Exchange's rule filing, SR-PEARL-2024-17.

Contact MIAX Trading Operations at [TradingOperations@miaxglobal.com](mailto:TradingOperations@miaxglobal.com) or (609) 897-7302 with any questions regarding the amendment.

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