

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 type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" 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 *).

Amend Exchange rules to allow Post-Only Orders to participate in the Opening Process.

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 * Gregory	Last Name * Ziegler
Title * Associate Counsel	
E-mail * gziegler@miaxoptions.com	
Telephone * (609) 897-1483	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 04/03/2017	Associate Counsel
By Gregory P.Ziegler	
(Name *)	

gziegler@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

Add Remove View

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

Add Remove View

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) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act” or the “Exchange Act”),¹ and Rule 19b-4 thereunder,² MIAX PEARL, LLC (“MIAX PEARL” or the “Exchange”) is filing with the Securities and Exchange Commission (the “Commission”) a proposal to amend Exchange Rules 504 and 516.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached hereto as Exhibit 5.

(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 PEARL Board of Directors on December 8, 2016. 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 change.

Questions and comments on the proposed rule change may be directed to Gregory P. Ziegler, Associate Counsel, at (609) 897-1483.

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 Exchange Rule 516, Order Types, to make changes to paragraph (j) related to Post-Only Order³ handling on the Exchange to simplify order entry and enhance liquidity available at the open. Additionally, the Exchange proposes to amend Exchange Rule 504, Trading Halts, to remove Interpretations and Policies .05.

Currently, by definition, Post-Only Orders on MIAX PEARL do not participate in the Opening Process,⁴ and Post-Only Orders received before the Opening Process, during a trading halt, or after the market close, are rejected.⁵ Additionally, Post-Only Orders that remain on the Book⁶ after a trading halt under Rule 504 are cancelled.⁷ Post-Only Orders are designed to be liquidity providing orders, as a Post-Only Order by definition is one that will not remove liquidity from the Book.⁸

The Exchange now proposes to amend certain aspects of its handling of Post-Only Orders to allow them to participate in the Opening Process and to also allow Post-Only Orders to be received by the Exchange prior to the commencement of the Opening Process or during a trading

³ See Exchange Rule 516(j).

⁴ See Exchange Rule 503(a)(2) and Rule 516(j).

⁵ See Exchange Rule 516(j).

⁶ The term "Book" means the electronic order book of buy and sell orders and quotes maintained by the System. See Exchange Rule 100.

⁷ See Exchange Rule 504.05.

⁸ See Exchange Rule 516(j).

halt, and to remain on the Book after a trading halt, where they may participate in the next Opening Process.⁹

The Exchange proposes to amend Exchange Rule 516 (j) to allow Post-Only Orders to participate in the Opening Process by ignoring the Post-Only instruction on the order during this period. This will allow Post-Only Orders to participate in the Opening Process by removing the prior restriction that a Post-Only Order not remove liquidity from the Book. As proposed, during the Opening Process, Post-Only Orders will be accepted and provide additional liquidity as orders are matched for execution based on price-time priority.¹⁰ The Exchange believes that removing the prohibition against Post-Only Orders participating in the Opening Process will serve as a catalyst for Members¹¹ to submit orders during the opening and improve the liquidity available during the Exchange's Opening Process which may also improve prices at the opening.

The Exchange has two classes of Members, Market Makers¹² and Electronic Exchange Members.¹³ Market Makers are the primary users of Post-Only Orders on the Exchange as discussed in more detail below. Currently, in order to provide liquidity during the Opening

⁹ The Exchange notes that a single Opening Process is used for Openings and Re-Openings on the Exchange. See Exchange Rule 503(a)(1).

¹⁰ See Exchange Rule 503(b)(2)(ii).

¹¹ The term "Member" means an individual or organization that is registered with the Exchange pursuant to Chapter II of the MIAX PEARL 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 Exchange Rule 100.

¹² The term "Market Maker" or "MM" means a Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter VI of MIAX PEARL Rules. See Exchange Rule 100.

¹³ The term "Electronic Exchange Member" or "EEM" means the holder of a Trading Permit who is a Member representing as agent Public Customer Orders or Non-Customer Orders on the Exchange and those non-Market Maker Members conducting proprietary trading. Electronic Exchange Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

Process, Market Makers must use regular orders, as orders marked Post-Only will be rejected. After the Opening Process has concluded, Market Makers switch over to marking orders as Post-Only Orders. Market Makers use Post-Only Orders to provide two-sided quotes to meet their quoting obligations as described in more detail below. The Exchange believes that its proposal to accept Post-Only Orders before the Opening Process will simplify the operation of the Exchange and reduce complexity for Members that submit orders during the Opening Process and that switch to submitting Post-Only Orders during regular trading. Permitting Post-Only Orders to participate in the Opening will simplify the operational complexity for Market Makers that wish to provide liquidity during the Opening Process and thereby improve prices at the open.¹⁴

Market Makers have a heightened obligation on the Exchange to maintain a two-sided market, pursuant to Rule 605(d)(1), in those option series in which the Market Maker has registered to trade.¹⁵ Exchange Rule 605, Market Maker Quotations, details various requirements associated with a Market Maker's quotes, such as "Size Associated with Quotes", "Firm Quotes", and "Continuous Quotes".¹⁶ A quote on the Exchange is defined as, "... a bid or offer entered by a Market Maker as a firm order that updates the Market Maker's previous bid or offer, if any"¹⁷ The Exchange's definition of a quote further provides that, "[w]hen the term order is used in these Rules and a bid or offer is entered by the Market Maker in the option series to which such Market Maker is registered, such order shall, as applicable, constitute a quote or

¹⁴ The Exchange notes that the proposal may primarily benefit Market Makers as they are the largest users of Post-Only Orders. However, Post-Only Orders are available for all Members and the Exchange does not believe that the proposal raises any concerns for EEMs as the change will benefit any Member that uses Post-Only Orders.

¹⁵ See Exchange Rule 604(a)(1).

¹⁶ See Exchange Rule 605.

¹⁷ See Exchange Rule 100.

quotation for purposes of these Rules.”¹⁸ Market Makers self-assign the series for which they choose to act as a Market Maker and may register daily for these series.¹⁹ A Market Maker could easily have an obligation to provide continuous quotes for a large number of series. Eliminating the need for Market Makers to switch from sending regular orders during the Opening Process to Post-Only Orders after the Opening Process is complete will allow Market Makers to more efficiently provide liquidity during the Opening Process and seamlessly transition to regular trading.

Additionally, the Exchange proposes to amend Rule 516(j) to state that Post-Only Orders are valid during the Opening Process and that Post-Only Orders received before the Opening Process or during a trading halt may participate in the next Opening Process. The Exchange notes that Post-Only Orders received after the market close will continue to be rejected.

At the completion of the Opening Process, the Exchange re-introduces orders that did not execute or that were priced through the Opening Price.²⁰ The Exchange now proposes to also re-introduce Post-Only Orders that participated in the Opening Process but were not executed. The Post-Only instruction on such re-introduced Post-Only Orders will be recognized and the orders will be treated in the same manner as Post-Only Orders received during a regular trading session, wherein such orders may not remove liquidity, in accordance with the existing rule.

Finally, Exchange Rule 504.05 currently provides that Post-Only Orders that are on the Book will be cancelled when trading in an option on a security has been halted pursuant to Rule 504. The Exchange now proposes to eliminate this paragraph in its entirety. As discussed above, the Exchange is proposing to amend its handling of Post-Only Orders and will include

¹⁸ See Exchange Rule 100.

¹⁹ See Exchange Rule 602.

²⁰ See Exchange Rule 503(b)(2)(iii).

them in the Opening Process, therefore it is not necessary to remove Post-Only Orders from the Book when an option has been halted pursuant to Rule 504, as they may participate in the next Opening Process.

b. Statutory Basis

The Exchange believes that its proposed rule changes are consistent with Section 6(b) of the Act²¹ in general, and furthers the objectives of Section 6(b)(5) of the Act²² in particular, 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 believes that the proposed rule change will simplify its market structure, minimize unnecessary complexity, and encourage liquidity during the Opening Process. The Exchange believes this change will make the transition from the opening to regular trading more efficient and thus promote just and equitable principles of trade and serve to protect investors and the public interest.

Additionally, the proposed rule change is consistent with the current rules of another options exchange.²³

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.

²¹ 15 U.S.C. 78f(b).

²² 15 U.S.C. 78f(b)(5).

²³ See Nasdaq Options Rules, Chapter VI, Section 1(e)(11).

The Exchange does not believe that the proposed rule changes will impose any burden on intra-market competition as the Rules apply equally to all Exchange Members.

The Exchange does not believe that the proposed rule change will impose any burden on inter-market competition as the proposal is designed to simplify the complexity of order entry at the open, and could result in more competitive order flow to the Exchange at the open.

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) of the Act²⁴ and Rule 19b-4(f)(6)²⁵ thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange does not believe that the proposed rule change raises any novel or unique substantive issues. Additionally, the Exchange's filing is substantially similar in all material respects to, and consistent with, a similar rule currently effective on a competing options exchange.²⁶ As such, the Exchange believes that the proposed rule change promotes a free and

²⁴ 15 U.S.C. 78s(b)(3)(A).

²⁵ 17 CFR 240.19b-4(f)(6).

²⁶ See supra note 23.

open market for the benefit of investors and traders. Accordingly, the Exchange believes that the proposed rule change is eligible for immediately effective treatment under the Commission's current procedures for processing rule filings.

Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement. Furthermore, a proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act²⁷ normally does not become operative for 30 days after the date of its filing.

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.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The Exchange notes that this proposal is substantially similar to a NASDAQ Stock Market, LLC ("Nasdaq") filing.²⁸

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.

²⁷ 17 CFR 240.19b-4(f)(6).

²⁸ See Securities Exchange Act Release No. 70897 (November 19, 2013), 78 FR 70388 (November 25, 2013) (SR-NASDAQ-2013-139).

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. Text of proposed changes to rule text.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-PEARL-2017-16)

April__, 2017

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX PEARL, LLC to Amend MIAX PEARL Rules 504 and 516

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 April 3, 2017, MIAX PEARL, LLC (“MIAX PEARL” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change”) 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 Exchange Rules 504 and 516.

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 Exchange Rule 516, Order Types, to make changes to paragraph (j) related to Post-Only Order³ handling on the Exchange to simplify order entry and enhance liquidity available at the open. Additionally, the Exchange proposes to amend Exchange Rule 504, Trading Halts, to remove Interpretations and Policies .05.

Currently, by definition, Post-Only Orders on MIA X PEARL do not participate in the Opening Process,⁴ and Post-Only Orders received before the Opening Process, during a trading halt, or after the market close, are rejected.⁵ Additionally, Post-Only Orders that remain on the Book⁶ after a trading halt under Rule 504 are cancelled.⁷ Post-Only Orders are designed to be liquidity providing orders, as a Post-Only Order by definition is one that will not remove liquidity from the Book.⁸

The Exchange now proposes to amend certain aspects of its handling of Post-Only Orders to allow them to participate in the Opening Process and to also allow Post-Only Orders to be received by the Exchange prior to the commencement of the Opening Process or during a trading

³ See Exchange Rule 516(j).

⁴ See Exchange Rule 503(a)(2) and Rule 516(j).

⁵ See Exchange Rule 516(j).

⁶ The term "Book" means the electronic order book of buy and sell orders and quotes maintained by the System. See Exchange Rule 100.

⁷ See Exchange Rule 504.05.

⁸ See Exchange Rule 516(j).

halt, and to remain on the Book after a trading halt, where they may participate in the next Opening Process.⁹

The Exchange proposes to amend Exchange Rule 516 (j) to allow Post-Only Orders to participate in the Opening Process by ignoring the Post-Only instruction on the order during this period. This will allow Post-Only Orders to participate in the Opening Process by removing the prior restriction that a Post-Only Order not remove liquidity from the Book. As proposed, during the Opening Process, Post-Only Orders will be accepted and provide additional liquidity as orders are matched for execution based on price-time priority.¹⁰ The Exchange believes that removing the prohibition against Post-Only Orders participating in the Opening Process will serve as a catalyst for Members¹¹ to submit orders during the opening and improve the liquidity available during the Exchange's Opening Process which may also improve prices at the opening.

The Exchange has two classes of Members, Market Makers¹² and Electronic Exchange Members.¹³ Market Makers are the primary users of Post-Only Orders on the Exchange as discussed in more detail below. Currently, in order to provide liquidity during the Opening

⁹ The Exchange notes that a single Opening Process is used for Openings and Re-Openings on the Exchange. See Exchange Rule 503(a)(1).

¹⁰ See Exchange Rule 503(b)(2)(ii).

¹¹ The term "Member" means an individual or organization that is registered with the Exchange pursuant to Chapter II of the MIAX PEARL 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 Exchange Rule 100.

¹² The term "Market Maker" or "MM" means a Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter VI of MIAX PEARL Rules. See Exchange Rule 100.

¹³ The term "Electronic Exchange Member" or "EEM" means the holder of a Trading Permit who is a Member representing as agent Public Customer Orders or Non-Customer Orders on the Exchange and those non-Market Maker Members conducting proprietary trading. Electronic Exchange Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

Process, Market Makers must use regular orders, as orders marked Post-Only will be rejected. After the Opening Process has concluded, Market Makers switch over to marking orders as Post-Only Orders. Market Makers use Post-Only Orders to provide two-sided quotes to meet their quoting obligations as described in more detail below. The Exchange believes that its proposal to accept Post-Only Orders before the Opening Process will simplify the operation of the Exchange and reduce complexity for Members that submit orders during the Opening Process and that switch to submitting Post-Only Orders during regular trading. Permitting Post-Only Orders to participate in the Opening will simplify the operational complexity for Market Makers that wish to provide liquidity during the Opening Process and thereby improve prices at the open.¹⁴

Market Makers have a heightened obligation on the Exchange to maintain a two-sided market, pursuant to Rule 605(d)(1), in those option series in which the Market Maker has registered to trade.¹⁵ Exchange Rule 605, Market Maker Quotations, details various requirements associated with a Market Maker's quotes, such as "Size Associated with Quotes", "Firm Quotes", and "Continuous Quotes".¹⁶ A quote on the Exchange is defined as, "... a bid or offer entered by a Market Maker as a firm order that updates the Market Maker's previous bid or offer, if any"¹⁷ The Exchange's definition of a quote further provides that, "[w]hen the term order is used in these Rules and a bid or offer is entered by the Market Maker in the option series to which such Market Maker is registered, such order shall, as applicable, constitute a quote or

¹⁴ The Exchange notes that the proposal may primarily benefit Market Makers as they are the largest users of Post-Only Orders. However, Post-Only Orders are available for all Members and the Exchange does not believe that the proposal raises any concerns for EEMs as the change will benefit any Member that uses Post-Only Orders.

¹⁵ See Exchange Rule 604(a)(1).

¹⁶ See Exchange Rule 605.

¹⁷ See Exchange Rule 100.

quotation for purposes of these Rules.”¹⁸ Market Makers self-assign the series for which they choose to act as a Market Maker and may register daily for these series.¹⁹ A Market Maker could easily have an obligation to provide continuous quotes for a large number of series. Eliminating the need for Market Makers to switch from sending regular orders during the Opening Process to Post-Only Orders after the Opening Process is complete will allow Market Makers to more efficiently provide liquidity during the Opening Process and seamlessly transition to regular trading.

Additionally, the Exchange proposes to amend Rule 516(j) to state that Post-Only Orders are valid during the Opening Process and that Post-Only Orders received before the Opening Process or during a trading halt may participate in the next Opening Process. The Exchange notes that Post-Only Orders received after the market close will continue to be rejected.

At the completion of the Opening Process, the Exchange re-introduces orders that did not execute or that were priced through the Opening Price.²⁰ The Exchange now proposes to also re-introduce Post-Only Orders that participated in the Opening Process but were not executed. The Post-Only instruction on such re-introduced Post-Only Orders will be recognized and the orders will be treated in the same manner as Post-Only Orders received during a regular trading session, wherein such orders may not remove liquidity, in accordance with the existing rule.

Finally, Exchange Rule 504.05 currently provides that Post-Only Orders that are on the Book will be cancelled when trading in an option on a security has been halted pursuant to Rule 504. The Exchange now proposes to eliminate this paragraph in its entirety. As discussed above, the Exchange is proposing to amend its handling of Post-Only Orders and will include

¹⁸ See Exchange Rule 100.

¹⁹ See Exchange Rule 602.

²⁰ See Exchange Rule 503(b)(2)(iii).

them in the Opening Process, therefore it is not necessary to remove Post-Only Orders from the Book when an option has been halted pursuant to Rule 504, as they may participate in the next Opening Process.

2. Statutory Basis

MIAX PEARL believes that its proposed rule change is consistent with Section 6(b) of the Act²¹ in general, and furthers the objectives of Section 6(b)(5) of the Act²² in particular, 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 believes that the proposed rule change will simplify its market structure, minimize unnecessary complexity, and encourage liquidity during the Opening Process. The Exchange believes this change will make the transition from the opening to regular trading more efficient and thus promote just and equitable principles of trade and serve to protect investors and the public interest.

Additionally, the proposed rule change is consistent with the current rules of another options exchange.²³

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.

²¹ 15 U.S.C. 78f(b).

²² 15 U.S.C. 78f(b)(5).

²³ See Nasdaq Options Rules, Chapter VI, Section 1(e)(11).

The Exchange does not believe that the proposed rule changes will impose any burden on intra-market competition as the Rules apply equally to all Exchange Members.

The Exchange does not believe that the proposed rule change will impose any burden on inter-market competition as the proposal is designed to simplify the complexity of order entry at the open, and could result in more competitive order flow to the Exchange at the open.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act²⁴ and Rule 19b-4(f)(6)²⁵ 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.

²⁴ 15 U.S.C. 78s(b)(3)(A).

²⁵ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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:

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-2017-16 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-2017-16. 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-2017-16 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.²⁶

Brent J. Fields
Secretary

²⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined;
Deleted text is in [brackets]

MIAX PEARL, LLC

Rule 504. Trading Halts

(a) – (d) No change

Interpretations and Policies:

.01 – .04 No change

[.05 Post-Only Orders that are on the Book will be cancelled when trading in an option on a security has been halted pursuant to this Rule 504.]

Rule 516. Order Types

It should be noted that some of the order types defined below are valid only during certain portions of the trading day (e.g., after the opening). If a Member submits an order type during a time period when the order type is not valid, the System will reject the order. It should also be noted that not all of the order types listed and described in this Rule will be available for use on each of the MEO Interface and the FIX Interface. The Exchange will issue a Regulatory Circular listing which order types, among the order types set forth below, are available for delivery via the MEO Interface and which are available for delivery via the FIX Interface.

(a) – (i) No change

(j) **“Post-Only Orders”** are orders that will not remove liquidity from the Book. Post-Only Orders are to be ranked and executed on the Exchange pursuant to Rule 514 (Priority on the Exchange), or handled pursuant to Rule 515, as appropriate, and will never route away to another trading center. Post-Only Orders are evaluated with respect to locking or crossing other orders as follows: (i) if a Post-Only Order would lock or cross an order on the System, the order will be handled pursuant to the Post-Only Price Process under Rule 515(g); or (ii) if a Post-Only Order would not lock or cross an order on the System but would lock or cross the ABBO where the PBBO is inferior to the ABBO, the order will be handled pursuant to the Managed Interest Process under Rule 515(d). The handling of a Post-Only Order may move from one process to the other (i.e., a Post-Only Order initially handled under the Post-Only Price Process may upon reevaluation be handled under the Managed Interest Process if the PBBO changes and the Post-Only Order no longer locks or crosses an order on the System but locks or crosses the ABBO). A Post-Only Order is [not] valid during the Opening Process[described] and will be processed in

accordance with Rule 503. The Post-Only instruction will be ignored for Post-Only Orders that participate in the Opening Process. A Post-Only Order[and] may not be a market order, Immediate-or-Cancel Order, an Intermarket Sweep Order or a Good 'til Cancelled Order. Post-Only Orders received before the Opening Process or during a trading halt[or after the market close will]may participate in the next Opening Process. Post-Only Orders received after the market close will be rejected.
