

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="37"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2019"/> - * <input type="text" value="31"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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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"/>
Pilot <input type="checkbox"/>			Rule		
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 checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input 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 *).

Proposal to amend the Fee Schedule to remove the application of, and definitions for, non-transaction fee waivers and waiver periods.

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 * Last Name *

Title *

E-mail *

Telephone * 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 Senior Vice President and Deputy General Counsel

By

(Name *)

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

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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

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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) MIAX PEARL, LLC (“MIAX PEARL” or “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² proposes to amend the MIAX PEARL Fee Schedule (the “Fee Schedule”) to remove the application of, and definitions for, non-transaction fee waivers and waiver periods.

The Exchange previously filed this proposal on June 28, 2019 (SR-PEARL-2019-22).³ That filing was withdrawn on August 27, 2019. It is replaced with the current filing (SR-PEARL-2019-31).

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and a copy of the applicable section of the proposed Fee Schedule is attached hereto as Exhibit 5.

(b) Inapplicable.

(c) Inapplicable.

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 January 31, 2019. 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 86363 (July 12, 2019), 84 FR 34445 (July 18, 2019) (SR-PEARL-2019-22) (the “Second Proposed Rule Change”).

Questions and comments on the proposed rule change may be directed to Michael Slade, Counsel, at (609) 897-8499.

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 the Fee Schedule to remove the text and application of the three-month New Member Non-Transaction Fee Waiver⁴ and Waiver Period.⁵ MIAX PEARL commenced operations as a national securities exchange registered under Section 6 of the Act⁶ on February 6, 2017.⁷ The Exchange adopted its transaction fees and certain of its non-transaction fees in its filing SR-PEARL-2017-10.⁸ In that filing, the Exchange expressly adopted the definition and application of the Waiver Period pertaining to fees for the Application for MIAX

⁴ “New Member Non-Transaction Fee Waiver” means the waiver of certain non-transaction fees, as explicitly set forth in specific sections of the Fee Schedule, for a new Member of the Exchange, for the waiver period. For purposes of this definition, the waiver period consists of the calendar month the new Member is credentialed to use the System in the production environment following approval as a new Member of the Exchange and the two (2) subsequent calendar months thereafter. For purposes of this definition, a new Member shall mean any Member who has not previously been approved as a Member of the Exchange. See the Definitions Section of the Fee Schedule.

⁵ “Waiver Period” means, for each applicable fee, the period of time from the initial effective date of the MIAX PEARL Fee Schedule until such time that the Exchange has an effective fee filing establishing the applicable fee. The Exchange will issue a Regulatory Circular announcing the establishment of an applicable fee that was subject to a Waiver Period at least fifteen (15) days prior to the termination of the Waiver Period and effective date of any such applicable fee. See the Definitions Section of the Fee Schedule.

⁶ 15 U.S.C. 78f.

⁷ See Securities Exchange Act Release No. 79543 (December 13, 2016), 81 FR 92901 (December 20, 2016)(File No. 10-227)(order approving application of MIAX PEARL, LLC for registration as a national securities exchange).

⁸ See Securities Exchange Act Release No. 80061 (February 17, 2017), 82 FR 11676 (February 24, 2017)(SR-PEARL-2017-10).

PEARL Membership, Monthly Trading Permit fees, Application Programming Interface (“API”) Testing and Certification fees for Members⁹ and non-Members, Port fees, MIAX PEARL Member Participant Identifier (“MPID”)¹⁰ fees, and MIAX PEARL Top of Market (“ToM”) and MIAX PEARL Liquidity Feed (“PLF”) market data fees.¹¹ The Exchange also stated that it would provide notice to market participants when the Exchange intended to terminate the Waiver Period for such fees.¹² The Exchange adopted the three-month New Member Non-Transaction Fee Waiver in the filing SR-PEARL-2018-07,¹³ which applied to the Monthly Trading Permit fee, Port fees, and ToM and PLF market data fees.

On March 14, 2019, the Exchange issued a Regulatory Circular that the Exchange would be removing the text and application of the New Member Non-Transaction Fee Waiver as it applied to all relevant non-transaction fees, including the Monthly Trading Permit fee, Port fees, ToM and PLF market data fees, and establishing other non-transaction fees, beginning April 1, 2019.¹⁴ The Exchange initially filed the proposal on March 27, 2019, designating the proposed

⁹ “Member” means an individual or organization that is registered with the Exchange pursuant to Chapter II of the Exchange 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.

¹⁰ An MPID is a code used in the MIAX PEARL system to identify the participant to MIAX PEARL and to the participant’s Clearing Member respecting trades executed on MIAX PEARL. Participants may use more than one MPID.

¹¹ See supra note 8.

¹² See id.

¹³ See Securities Exchange Act Release No. 82867 (March 13, 2018), 83 FR 12044 (March 19, 2018)(SR-PEARL-2018-07).

¹⁴ See MIAX PEARL Regulatory Circular 2019-09 available at https://www.miaxoptions.com/sites/default/files/circular-files/MIAX_PEARL_RC_2019_09.pdf.

fees effective April 1, 2019.¹⁵ The First Proposed Rule Change was published for comment in the Federal Register on April 12, 2019.¹⁶ The proposed fees remained in effect until the Exchange withdrew the First Proposed Rule Change on May 20, 2019.¹⁷

The Exchange refiled the proposal on June 28, 2019, designating the proposed fees effective July 1, 2019.¹⁸ The Second Proposed Rule Change was published for comment in the Federal Register on July 18, 2019.¹⁹ The proposed fee changes remained in effect until the Exchange withdrew the Second Proposed Rule Change on August 27, 2019.²⁰

On September 20, 2019, the Exchange filed separate proposals to establish API Testing and Certification fees²¹ and fees for the one-time Application for MIAX PEARL Membership.²² On October 1, 2019, the Exchange also filed to separately establish MPID fees.²³

The Exchange is now refileing the proposal to remove the text and application of the New Member Non-Transaction Fee Waiver and Waiver Period for all remaining non-transaction fees in the Fee Schedule. In particular, the Exchange proposes to remove the New Member Non-Transaction Fee Waiver as it currently applies to the Monthly Trading Permit fee; Port fees; and

¹⁵ See Securities Exchange Act Release No. 85541 (April 8, 2019), 84 FR 14983 (April 12, 2019)(SR-PEARL-2019-12) (the “First Proposed Rule Change”).

¹⁶ See id.

¹⁷ See Letter from Gregory P. Ziegler, AVP and Senior Associate Counsel, MIAX PEARL, LLC, to Vanessa Countryman, Acting Secretary, Commission, dated May 17, 2019.

¹⁸ See supra note 3.

¹⁹ See id.

²⁰ See Letter from Joseph Ferraro, SVP and Deputy General Counsel, MIAX PEARL, LLC, to Vanessa Countryman, Acting Secretary, Commission, dated August 26, 2019.

²¹ See SR-PEARL-2019-26.

²² See SR-PEARL-2019-27.

²³ See SR-PEARL-2019-30.

ToM and PLF market data fees. The Exchange also proposes to amend the Definitions section of the Fee Schedule to delete the definitions of “New Member Non-Transaction Fee Waiver” and “Waiver Period” as those definitions would no longer be applicable in accordance with this proposal, and the Exchange’s previous filings to establish API Testing and Certification fees,²⁴ fees for the one-time Application for MIAX PEARL Membership,²⁵ and MPID fees.²⁶

First, the Exchange proposes to remove the New Member Non-Transaction Fee Waiver from the Fee Schedule. Currently, the New Member Non-Transaction Fee Waiver waives the assessment of a fee for a Trading Permit, Port, ToM or PLF market data feed for a new Member of the Exchange for the first calendar month during which the new Member was approved as a Member and was credentialed to use the System²⁷ in the production environment, and for the two (2) subsequent calendar months thereafter.

The Exchange initially waived certain non-transaction fees for new Members in order to attract new business and encourage Members to use the Exchange. The Exchange now believes that the New Member Non-Transaction Fee Waiver is no longer necessary since the MIAX PEARL market is established and the Exchange no longer needs to rely on such waivers to attract market participants to a new venue.

The Exchange notes that any Member who began receiving the benefit of the New Member Non-Transaction Fee Waiver prior to the filing of this proposal, will continue to receive that benefit for the first calendar month during which they were approved as a Member and were

²⁴ See supra note 21.

²⁵ See supra note 22.

²⁶ See supra note 23.

²⁷ The term “System” means the automated trading system used by the exchange for the trading of securities. See Exchange Rule 100.

credentialed to use the System in the production environment, and for the two (2) subsequent calendar months thereafter.

The Exchange also proposes to delete the definition for “Waiver Period” from the Fee Schedule as such term is no longer applicable since the Exchange recently filed to establish API Testing and Certification fees,²⁸ fees for the one-time Application for MIAX PEARL Membership,²⁹ and MPID fees.³⁰ Accordingly, the Exchange is no longer waiving non-transaction fees in light of MIAX PEARL’s market being more established and the Exchange no longer believes it necessary to waive these non-transaction fees to attract market participants to a new venue.

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”³¹

There are currently 16 registered options exchanges competing for order flow. Based on publicly-available information, and excluding index-based options, no single exchange has more

²⁸ See supra note 21.

²⁹ See supra note 22.

³⁰ See supra note 23.

³¹ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

than approximately 16% market share.³² Therefore, no exchange possesses significant pricing power. More specifically, as of September 9, 2019, the Exchange had an approximately 5.30% market share of executed volume of multiply-listed equity and exchange traded fund (“ETF”) options.³³ The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can discontinue or reduce use of certain categories of products and services, terminate an existing membership or determine to not become a new member, and/or shift order flow, in response to non-transaction and transaction fee changes. For example, on September 28, 2018, the Exchange filed with the Commission a proposal to decrease a transaction fee for certain types of orders (which fee was to be effective October 1, 2018).³⁴ The Exchange experienced an increase in total market share in the month of October 2018, after the proposal went into effect. Accordingly, the Exchange believes that the October 1, 2018 fee change, decreasing a transaction fee, may have contributed to the increase in the Exchange’s market share and, as such, the Exchange believes competitive forces constrain MIAx PEARL’s, and other options exchanges, ability to set non-transaction and transaction fees and market participants can shift order flow based on fee changes instituted by the exchanges.

The Exchange believes that market participants have the choice to become members of a particular exchange and because it is a choice, MIAx PEARL must set reasonable prices for its services and products, otherwise prospective members would not join and existing members would discontinue using the Exchange. No options market participant is required by rule, regulation, or

³² The Options Clearing Corporation (“OCC”) publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/market-data/volume/default.jsp>.

³³ See *id.*

³⁴ See Securities Exchange Act Release No. 84387 (October 9, 2018), 83 FR 52039 (October 15, 2018)(SR-PEARL-2018-21).

competitive forces to be a Member of the Exchange. As evidence of the fact that market participants can discontinue or reduce use of certain categories of products and services, terminate an existing membership or determine to not become a new member, and/or shift order flow, in response to a non-transaction fee change, a participant of the BOX Exchange LLC (“BOX”) disconnected from BOX following a recent proposal to increase BOX’s connectivity fees. In response to BOX’s proposed fee increase, R2G Services LLC (“R2G”) filed a comment letter which stated, “[w]hen BOX instituted a \$10,000/month price increase for connectivity; we had no choice but to terminate connectivity into them as well as terminate our market data relationship. The cost benefit analysis just didn’t make any sense for us at those new levels.”³⁵ Accordingly, this example shows that if an exchange sets too high of a non-transaction fee, market participants can choose to no longer conduct business on that particular exchange.

The proposal to remove the text and application of the New Member Non-Transaction Fee Waiver and Waiver Period would be applied uniformly to all market participants. The Exchange is not aware of any market participant that is currently planning to become a Member and thus would be subject to the proposed fees.

b. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act³⁶ in general, and furthers the objectives of Section 6(b)(4) of the Act³⁷ in particular, in that it is an equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities. The Exchange also believes the

³⁵ See Letter from Stefano Durdic, R2G, to Vanessa Countryman, Acting Secretary, Commission, dated March 27, 2019 (the “R2G Letter”).

³⁶ 15 U.S.C. 78f(b).

³⁷ 15 U.S.C. 78f(b)(4) and (5).

proposal furthers the objectives of Section 6(b)(5) of the Act in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

The Exchange believes its proposal to remove the text and application of the New Member Non-Transaction Fee Waiver and Waiver Period as described above is reasonable in several respects. First, the Exchange is subject to significant competitive forces in the market for options transaction and non-transaction services that constrain its pricing determinations in that market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”³⁸

Numerous indicia demonstrate the competitive nature of this market. For example, clear substitutes to the Exchange exist in the market for options transaction services. The Exchange is one of several options venues to which market participants may direct their order flow, and it represents a small percentage of the overall market. Within this environment, market participants can freely and often do shift their order flow among the Exchange and competing venues in response to changes in their respective pricing schedules. There are currently 16 registered

³⁸ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

options exchanges competing for order flow. Based on publicly-available information, and excluding index-based options, no single exchange has more than approximately 16% of the market share of executed volume of multiply-listed equity and ETF options.³⁹ Therefore, no exchange possesses significant pricing power. More specifically, as of September 9, 2019, the Exchange had approximately a 5.30% market share of executed volume of multiply-listed equity and ETF options.⁴⁰

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can discontinue or reduce use of certain categories of products and services, terminate an existing membership or determine to not become a new member, and/or shift order flow, in response to non-transaction and transaction fee changes. For example, on September 28, 2018, the Exchange filed with the Commission a proposal to decrease a transaction fee for certain types of orders (which fee was to be effective October 1, 2018).⁴¹ The Exchange experienced an increase in total market share in the month of October 2018, after the proposal went into effect. Accordingly, the Exchange believes that the October 1, 2018 fee change, decreasing a transaction fee, may have contributed to the increase in the Exchange's market share and, as such, the Exchange believes competitive forces constrain MIAX PEARL's, and other options exchanges, ability to set non-transaction and transaction fees and market participants can shift order flow based on fee changes instituted by the exchanges. Another example to show that market participants can discontinue or reduce use of certain

³⁹ The Options Clearing Corporation ("OCC") publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/market-data/volume/default.jsp>.

⁴⁰ See id.

⁴¹ See Securities Exchange Act Release No. 84387 (October 9, 2018), 83 FR 52039 (October 15, 2018)(SR-PEARL-2018-21).

categories of products and services, terminate an existing membership or determine to not become a new member, and/or shift order flow, in response to a non-transaction fee change, is that a participant of the BOX disconnected from BOX following a recent proposal to increase BOX's connectivity fees. In response to BOX's proposed fee increase, R2G filed a comment letter which stated, "[w]hen BOX instituted a \$10,000/month price increase for connectivity; we had no choice but to terminate connectivity into them as well as terminate our market data relationship. The cost benefit analysis just didn't make any sense for us at those new levels."⁴² Accordingly, this example shows that if an exchange sets too high of a non-transaction fee, market participants can choose to no longer conduct business on that particular exchange. Further, the Exchange no longer believes it is necessary to waive these fees to attract market participants to the MIAX PEARL market since this market is now established and MIAX PEARL no longer needs to rely on such waivers to attract market participants to a new venue.

The Exchange believes that the proposed change is equitable and not unfairly discriminatory because the elimination of the New Member Non-Transaction Fee Waiver and Waiver Period will uniformly apply to all market participants of the Exchange. The Exchange initially waived certain non-transaction fees for market participants in order to attract new business and encourage prospective market participants to join the Exchange. The Exchange believes that the New Member Non-Transaction Fee Waiver is no longer necessary since the MIAX PEARL market is established and MIAX PEARL no longer relies on such waivers to attract market participants to a new venue. Further, the proposed rule change will not apply to any new Member who began receiving the New Member Non-Transaction Fee Waiver prior to the filing of this proposal and will continue to receive that benefit for the first calendar month

⁴² See supra note 35.

during which they were approved as a Member and were credentialed to use the System in the production environment, and for the two (2) subsequent calendar months thereafter.

Further, the Exchange believes its proposal to delete the definition for the Waiver Period in the Fee Schedule is reasonable, equitable, and not unfairly discriminatory because this definition is no longer applicable to any fees in the Fee Schedule in light of the Exchange's previous filings to establish API Testing and Certification fees,⁴³ fees for the one-time Application for MIAX PEARL Membership,⁴⁴ and MPID fees.⁴⁵ The Exchange no longer believes it is necessary to waive these fees to attract market participants to the MIAX PEARL market since this market is now established and MIAX PEARL no longer needs to rely on such waivers to attract market participants to a new venue. Accordingly, the definition for "Waiver Period" is no longer necessary to include in the Fee Schedule and this proposal will provide market participants with greater clarity regarding the Exchange's non-transaction and transaction fees.

Finally, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees for services and products, in addition to order flow, to remain competitive with other exchanges.

The Exchange believes that the proposed changes reflect this competitive environment.

⁴³ See supra note 21.

⁴⁴ See supra note 22.

⁴⁵ See supra note 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.

Intra-Market Competition

The Exchange does not believe that the proposed rule change would place certain market participants at the Exchange at a relative disadvantage compared to other market participants or affect the ability of such market participants to compete. Unilateral action by MIAX PEARL in the assessment of certain non-transaction fees for services provided to its Members and others using its facilities will not have an impact on competition. As a more recent entrant in the already highly competitive environment for equity options trading, MIAX PEARL does not have the market power necessary to set prices for services that are unreasonable or unfairly discriminatory in violation of the Act.

Inter-Market Competition

The Exchange believes the proposed non-transaction fees do not place an undue burden on competition on other SROs that is not necessary or appropriate. The Exchange operates in a highly competitive market in which market participants can readily favor one of the 16 competing options venues if they deem fee levels at a particular venue to be excessive. Based on publicly-available information, and excluding index-based options, no single exchange has more than 16% market share.⁴⁶ Therefore, no exchange possesses significant pricing power in the execution of multiply-listed and ETF options order flow. As of September 9, 2019, the Exchange had an approximately 5.30% market share⁴⁷ and the Exchange believes that the ever-

⁴⁶ See supra note 39.

⁴⁷ Id.

shifting market share among exchanges from month to month demonstrates that market participants can discontinue or reduce use of certain categories of products, or shift order flow, in response to fee changes. In such an environment, the Exchange must continually adjust its fees and fee waivers to remain competitive with other exchanges and to attract order flow to the Exchange.

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)(ii) of the Act,⁴⁸ and Rule 19b-4(f)(2) thereunder⁴⁹ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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

The proposed rule change is not based on the rules of another exchange or of the Commission.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

⁴⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴⁹ 17 CFR 240.19b-4.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Completed notice of proposed rule change for publication in the Federal Register.
5. Copy of the applicable section of the MIAX PEARL Fee Schedule.

EXHIBIT 1SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-PEARL-2019-31)

October ____, 2019

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX PEARL, LLC to Amend the MIAX PEARL Fee Schedule

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 October 1, 2019, MIAX PEARL, LLC (“MIAX 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 MIAX PEARL Fee Schedule (the “Fee Schedule”) to remove the application of, and definitions for, non-transaction fee waivers and waiver periods.

The Exchange previously filed this proposal on June 28, 2019 (SR-PEARL-2019-22).³ That filing was withdrawn on August 27, 2019. It is replaced with the current filing (SR-PEARL-2019-31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 86363 (July 12, 2019), 84 FR 34445 (July 18, 2019) (SR-PEARL-2019-22) (the “Second Proposed Rule Change”).

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 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 the Fee Schedule to remove the text and application of the three-month New Member Non-Transaction Fee Waiver⁴ and Waiver Period.⁵ MIAX PEARL

⁴ "New Member Non-Transaction Fee Waiver" means the waiver of certain non-transaction fees, as explicitly set forth in specific sections of the Fee Schedule, for a new Member of the Exchange, for the waiver period. For purposes of this definition, the waiver period consists of the calendar month the new Member is credentialed to use the System in the production environment following approval as a new Member of the Exchange and the two (2) subsequent calendar months thereafter. For purposes of this definition, a new Member shall mean any Member who has not previously been approved as a Member of the Exchange. See the Definitions Section of the Fee Schedule.

⁵ "Waiver Period" means, for each applicable fee, the period of time from the initial effective date of the MIAX PEARL Fee Schedule until such time that the Exchange has an effective fee filing establishing the applicable fee. The Exchange will issue a Regulatory Circular announcing the establishment of an applicable fee that was subject to a Waiver Period at least fifteen (15) days prior to the termination of the Waiver Period and effective date of any such applicable fee. See the Definitions Section of the Fee Schedule.

commenced operations as a national securities exchange registered under Section 6 of the Act⁶ on February 6, 2017.⁷ The Exchange adopted its transaction fees and certain of its non-transaction fees in its filing SR-PEARL-2017-10.⁸ In that filing, the Exchange expressly adopted the definition and application of the Waiver Period pertaining to fees for the Application for MIA X PEARL Membership, Monthly Trading Permit fees, Application Programming Interface (“API”) Testing and Certification fees for Members⁹ and non-Members, Port fees, MIA X PEARL Member Participant Identifier (“MPID”)¹⁰ fees, and MIA X PEARL Top of Market (“ToM”) and MIA X PEARL Liquidity Feed (“PLF”) market data fees.¹¹ The Exchange also stated that it would provide notice to market participants when the Exchange intended to terminate the Waiver Period for such fees.¹² The Exchange adopted the three-month New Member Non-Transaction Fee Waiver in the filing SR-PEARL-2018-07,¹³ which applied to the Monthly Trading Permit fee, Port fees, and ToM and PLF market data fees.

⁶ 15 U.S.C. 78f.

⁷ See Securities Exchange Act Release No. 79543 (December 13, 2016), 81 FR 92901 (December 20, 2016)(File No. 10-227)(order approving application of MIA X PEARL, LLC for registration as a national securities exchange).

⁸ See Securities Exchange Act Release No. 80061 (February 17, 2017), 82 FR 11676 (February 24, 2017)(SR-PEARL-2017-10).

⁹ “Member” means an individual or organization that is registered with the Exchange pursuant to Chapter II of the Exchange 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.

¹⁰ An MPID is a code used in the MIA X PEARL system to identify the participant to MIA X PEARL and to the participant’s Clearing Member respecting trades executed on MIA X PEARL. Participants may use more than one MPID.

¹¹ See supra note 8.

¹² See id.

¹³ See Securities Exchange Act Release No. 82867 (March 13, 2018), 83 FR 12044 (March 19, 2018)(SR-PEARL-2018-07).

On March 14, 2019, the Exchange issued a Regulatory Circular that the Exchange would be removing the text and application of the New Member Non-Transaction Fee Waiver as it applied to all relevant non-transaction fees, including the Monthly Trading Permit fee, Port fees, ToM and PLF market data fees, and establishing other non-transaction fees, beginning April 1, 2019.¹⁴ The Exchange initially filed the proposal on March 27, 2019, designating the proposed fees effective April 1, 2019.¹⁵ The First Proposed Rule Change was published for comment in the Federal Register on April 12, 2019.¹⁶ The proposed fees remained in effect until the Exchange withdrew the First Proposed Rule Change on May 20, 2019.¹⁷

The Exchange refiled the proposal on June 28, 2019, designating the proposed fees effective July 1, 2019.¹⁸ The Second Proposed Rule Change was published for comment in the Federal Register on July 18, 2019.¹⁹ The proposed fee changes remained in effect until the Exchange withdrew the Second Proposed Rule Change on August 27, 2019.²⁰

¹⁴ See MIAX PEARL Regulatory Circular 2019-09 available at https://www.miaxoptions.com/sites/default/files/circular-files/MIAX_PEARL_RC_2019_09.pdf.

¹⁵ See Securities Exchange Act Release No. 85541 (April 8, 2019), 84 FR 14983 (April 12, 2019)(SR-PEARL-2019-12) (the “First Proposed Rule Change”).

¹⁶ See *id.*

¹⁷ See Letter from Gregory P. Ziegler, AVP and Senior Associate Counsel, MIAX PEARL, LLC, to Vanessa Countryman, Acting Secretary, Commission, dated May 17, 2019.

¹⁸ See *supra* note 3.

¹⁹ See *id.*

²⁰ See Letter from Joseph Ferraro, SVP and Deputy General Counsel, MIAX PEARL, LLC, to Vanessa Countryman, Acting Secretary, Commission, dated August 26, 2019.

On September 20, 2019, the Exchange filed separate proposals to establish API Testing and Certification fees²¹ and fees for the one-time Application for MIAX PEARL Membership.²² On October 1, 2019, the Exchange also filed to separately establish MPID fees.²³

The Exchange is now refiling the proposal to remove the text and application of the New Member Non-Transaction Fee Waiver and Waiver Period for all remaining non-transaction fees in the Fee Schedule. In particular, the Exchange proposes to remove the New Member Non-Transaction Fee Waiver as it currently applies to the Monthly Trading Permit fee; Port fees; and ToM and PLF market data fees. The Exchange also proposes to amend the Definitions section of the Fee Schedule to delete the definitions of “New Member Non-Transaction Fee Waiver” and “Waiver Period” as those definitions would no longer be applicable in accordance with this proposal, and the Exchange’s previous filings to establish API Testing and Certification fees,²⁴ fees for the one-time Application for MIAX PEARL Membership,²⁵ and MPID fees.²⁶

First, the Exchange proposes to remove the New Member Non-Transaction Fee Waiver from the Fee Schedule. Currently, the New Member Non-Transaction Fee Waiver waives the assessment of a fee for a Trading Permit, Port, ToM or PLF market data feed for a new Member of the Exchange for the first calendar month during which the new Member was approved as a

²¹ See SR-PEARL-2019-26.

²² See SR-PEARL-2019-27.

²³ See SR-PEARL-2019-30.

²⁴ See supra note 21.

²⁵ See supra note 22.

²⁶ See supra note 23.

Member and was credentialed to use the System²⁷ in the production environment, and for the two (2) subsequent calendar months thereafter.

The Exchange initially waived certain non-transaction fees for new Members in order to attract new business and encourage Members to use the Exchange. The Exchange now believes that the New Member Non-Transaction Fee Waiver is no longer necessary since the MIAX PEARL market is established and the Exchange no longer needs to rely on such waivers to attract market participants to a new venue.

The Exchange notes that any Member who began receiving the benefit of the New Member Non-Transaction Fee Waiver prior to the filing of this proposal, will continue to receive that benefit for the first calendar month during which they were approved as a Member and were credentialed to use the System in the production environment, and for the two (2) subsequent calendar months thereafter.

The Exchange also proposes to delete the definition for “Waiver Period” from the Fee Schedule as such term is no longer applicable since the Exchange recently filed to establish API Testing and Certification fees,²⁸ fees for the one-time Application for MIAX PEARL Membership,²⁹ and MPID fees.³⁰ Accordingly, the Exchange is no longer waiving non-transaction fees in light of MIAX PEARL’s market being more established and the Exchange no longer believes it necessary to waive these non-transaction fees to attract market participants to a new venue.

²⁷ The term “System” means the automated trading system used by the exchange for the trading of securities. See Exchange Rule 100.

²⁸ See supra note 21.

²⁹ See supra note 22.

³⁰ See supra note 23.

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”³¹

There are currently 16 registered options exchanges competing for order flow. Based on publicly-available information, and excluding index-based options, no single exchange has more than approximately 16% market share.³² Therefore, no exchange possesses significant pricing power. More specifically, as of September 9, 2019, the Exchange had an approximately 5.30% market share of executed volume of multiply-listed equity and exchange traded fund (“ETF”) options.³³ The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can discontinue or reduce use of certain categories of products and services, terminate an existing membership or determine to not become a new member, and/or shift order flow, in response to non-transaction and transaction fee changes. For example, on September 28, 2018, the Exchange filed with the Commission a proposal to decrease a transaction fee for certain types of orders (which fee was to be effective October 1, 2018).³⁴ The Exchange experienced an increase in total market share in the month of October

³¹ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

³² The Options Clearing Corporation (“OCC”) publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/market-data/volume/default.jsp>.

³³ See id.

³⁴ See Securities Exchange Act Release No. 84387 (October 9, 2018), 83 FR 52039 (October 15, 2018)(SR-PEARL-2018-21).

2018, after the proposal went into effect. Accordingly, the Exchange believes that the October 1, 2018 fee change, decreasing a transaction fee, may have contributed to the increase in the Exchange's market share and, as such, the Exchange believes competitive forces constrain MIAX PEARL's, and other options exchanges, ability to set non-transaction and transaction fees and market participants can shift order flow based on fee changes instituted by the exchanges.

The Exchange believes that market participants have the choice to become members of a particular exchange and because it is a choice, MIAX PEARL must set reasonable prices for its services and products, otherwise prospective members would not join and existing members would discontinue using the Exchange. No options market participant is required by rule, regulation, or competitive forces to be a Member of the Exchange. As evidence of the fact that market participants can discontinue or reduce use of certain categories of products and services, terminate an existing membership or determine to not become a new member, and/or shift order flow, in response to a non-transaction fee change, a participant of the BOX Exchange LLC ("BOX") disconnected from BOX following a recent proposal to increase BOX's connectivity fees. In response to BOX's proposed fee increase, R2G Services LLC ("R2G") filed a comment letter which stated, "[w]hen BOX instituted a \$10,000/month price increase for connectivity; we had no choice but to terminate connectivity into them as well as terminate our market data relationship. The cost benefit analysis just didn't make any sense for us at those new levels."³⁵ Accordingly, this example shows that if an exchange sets too high of a non-transaction fee, market participants can choose to no longer conduct business on that particular exchange.

The proposal to remove the text and application of the New Member Non-Transaction Fee Waiver and Waiver Period would be applied uniformly to all market participants. The Exchange

³⁵ See Letter from Stefano Durdic, R2G, to Vanessa Countryman, Acting Secretary, Commission, dated March 27, 2019 (the "R2G Letter").

is not aware of any market participant that is currently planning to become a Member and thus would be subject to the proposed fees.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act³⁶ in general, and furthers the objectives of Section 6(b)(4) of the Act³⁷ in particular, in that it is an equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

The Exchange believes its proposal to remove the text and application of the New Member Non-Transaction Fee Waiver and Waiver Period as described above is reasonable in several respects. First, the Exchange is subject to significant competitive forces in the market for options transaction and non-transaction services that constrain its pricing determinations in that market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has

³⁶ 15 U.S.C. 78f(b).

³⁷ 15 U.S.C. 78f(b)(4) and (5).

been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”³⁸

Numerous indicia demonstrate the competitive nature of this market. For example, clear substitutes to the Exchange exist in the market for options transaction services. The Exchange is one of several options venues to which market participants may direct their order flow, and it represents a small percentage of the overall market. Within this environment, market participants can freely and often do shift their order flow among the Exchange and competing venues in response to changes in their respective pricing schedules. There are currently 16 registered options exchanges competing for order flow. Based on publicly-available information, and excluding index-based options, no single exchange has more than approximately 16% of the market share of executed volume of multiply-listed equity and ETF options.³⁹ Therefore, no exchange possesses significant pricing power. More specifically, as of September 9, 2019, the Exchange had approximately a 5.30% market share of executed volume of multiply-listed equity and ETF options.⁴⁰

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can discontinue or reduce use of certain categories of products and services, terminate an existing membership or determine to not become a new member, and/or shift order flow, in response to non-transaction and transaction fee changes. For example, on September 28, 2018, the Exchange filed with the Commission a

³⁸ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

³⁹ The Options Clearing Corporation (“OCC”) publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/market-data/volume/default.jsp>.

⁴⁰ See id.

proposal to decrease a transaction fee for certain types of orders (which fee was to be effective October 1, 2018).⁴¹ The Exchange experienced an increase in total market share in the month of October 2018, after the proposal went into effect. Accordingly, the Exchange believes that the October 1, 2018 fee change, decreasing a transaction fee, may have contributed to the increase in the Exchange's market share and, as such, the Exchange believes competitive forces constrain MIAX PEARL's, and other options exchanges, ability to set non-transaction and transaction fees and market participants can shift order flow based on fee changes instituted by the exchanges. Another example to show that market participants can discontinue or reduce use of certain categories of products and services, terminate an existing membership or determine to not become a new member, and/or shift order flow, in response to a non-transaction fee change, is that a participant of the BOX disconnected from BOX following a recent proposal to increase BOX's connectivity fees. In response to BOX's proposed fee increase, R2G filed a comment letter which stated, "[w]hen BOX instituted a \$10,000/month price increase for connectivity; we had no choice but to terminate connectivity into them as well as terminate our market data relationship. The cost benefit analysis just didn't make any sense for us at those new levels."⁴² Accordingly, this example shows that if an exchange sets too high of a non-transaction fee, market participants can choose to no longer conduct business on that particular exchange. Further, the Exchange no longer believes it is necessary to waive these fees to attract market participants to the MIAX PEARL market since this market is now established and MIAX PEARL no longer needs to rely on such waivers to attract market participants to a new venue.

⁴¹ See Securities Exchange Act Release No. 84387 (October 9, 2018), 83 FR 52039 (October 15, 2018)(SR-PEARL-2018-21).

⁴² See supra note 35.

The Exchange believes that the proposed change is equitable and not unfairly discriminatory because the elimination of the New Member Non-Transaction Fee Waiver and Waiver Period will uniformly apply to all market participants of the Exchange. The Exchange initially waived certain non-transaction fees for market participants in order to attract new business and encourage prospective market participants to join the Exchange. The Exchange believes that the New Member Non-Transaction Fee Waiver is no longer necessary since the MIAX PEARL market is established and MIAX PEARL no longer relies on such waivers to attract market participants to a new venue. Further, the proposed rule change will not apply to any new Member who began receiving the New Member Non-Transaction Fee Waiver prior to the filing of this proposal and will continue to receive that benefit for the first calendar month during which they were approved as a Member and were credentialed to use the System in the production environment, and for the two (2) subsequent calendar months thereafter.

Further, the Exchange believes its proposal to delete the definition for the Waiver Period in the Fee Schedule is reasonable, equitable, and not unfairly discriminatory because this definition is no longer applicable to any fees in the Fee Schedule in light of the Exchange's previous filings to establish API Testing and Certification fees,⁴³ fees for the one-time Application for MIAX PEARL Membership,⁴⁴ and MPID fees.⁴⁵ The Exchange no longer believes it is necessary to waive these fees to attract market participants to the MIAX PEARL market since this market is now established and MIAX PEARL no longer needs to rely on such waivers to attract market participants to a new venue. Accordingly, the definition for "Waiver Period" is no longer necessary to include in the Fee Schedule and this proposal will provide

⁴³ See supra note 21.

⁴⁴ See supra note 22.

⁴⁵ See supra note 23.

market participants with greater clarity regarding the Exchange's non-transaction and transaction fees.

Finally, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees for services and products, in addition to order flow, to remain competitive with other exchanges. The Exchange believes that the proposed changes reflect this competitive environment.

B. 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.

Intra-Market Competition

The Exchange does not believe that the proposed rule change would place certain market participants at the Exchange at a relative disadvantage compared to other market participants or affect the ability of such market participants to compete. Unilateral action by MIAX PEARL in the assessment of certain non-transaction fees for services provided to its Members and others using its facilities will not have an impact on competition. As a more recent entrant in the already highly competitive environment for equity options trading, MIAX PEARL does not have the market power necessary to set prices for services that are unreasonable or unfairly discriminatory in violation of the Act.

Inter-Market Competition

The Exchange believes the proposed non-transaction fees do not place an undue burden on competition on other SROs that is not necessary or appropriate. The Exchange operates in a highly competitive market in which market participants can readily favor one of the 16 competing options venues if they deem fee levels at a particular venue to be excessive. Based on

publicly-available information, and excluding index-based options, no single exchange has more than 16% market share.⁴⁶ Therefore, no exchange possesses significant pricing power in the execution of multiply-listed and ETF options order flow. As of September 9, 2019, the Exchange had an approximately 5.30% market share⁴⁷ and the Exchange believes that the ever-shifting market share among exchanges from month to month demonstrates that market participants can discontinue or reduce use of certain categories of products, or shift order flow, in response to fee changes. In such an environment, the Exchange must continually adjust its fees and fee waivers to remain competitive with other exchanges and to attract order flow to the Exchange.

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,⁴⁸ and Rule 19b-4(f)(2)⁴⁹ 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.

⁴⁶ See supra note 39.

⁴⁷ Id.

⁴⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴⁹ 17 CFR 240.19b-4(f)(2).

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:rule-comments@sec.gov). Please include File Number SR-PEARL-2019-31 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-PEARL-2019-31. 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-2019-31 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.⁵⁰

Vanessa Countryman
Secretary

⁵⁰ 17 CFR 200.30-3(a)(12).

Exhibit 5

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

MIAX PEARL Fee Schedule

Definitions

[“New Member Non-Transaction Fee Waiver” means the waiver of certain non-transaction fees, as explicitly set forth in specific sections of the Fee Schedule, for a new Member of the Exchange, for the waiver period. For purposes of this definition, the waiver period consists of the calendar month the new Member is credentialed to use the System in the production environment following approval as a new Member of the Exchange and the two (2) subsequent calendar months thereafter. For purposes of this definition, a new Member shall mean any Member who has not previously been approved as a Member of the Exchange.]

[“Waiver Period” means, for each applicable fee, the period of time from the initial effective date of the MIAX PEARL Fee Schedule until such time that the Exchange has an effective fee filing establishing the applicable fee. The Exchange will issue a Regulatory Circular announcing the establishment of an applicable fee that was subject to a Waiver Period at least fifteen (15) days prior to the termination of the Waiver Period and effective date of any such applicable fee.]

1) – 2) No change.

3) Membership Fees

a) No change.

b) Monthly Trading Permit Fee

MIAX PEARL will issue Trading Permits to Members that confer the ability to transact on MIAX PEARL. (For a complete description of MIAX PEARL Trading Permits, see MIAX PEARL Rule 200.) Members receiving Trading Permits during a particular calendar month will be assessed Trading Permit Fees according to the table below, and (except for EEM Clearing Firms) is based upon the Non-Transaction Fees Volume-Based Tiers. Monthly Trading Permit Fees will be assessed with respect to EEM Clearing Firms in any month the EEM Clearing Firm is certified in the membership system to clear transactions on the Exchange. [Such fees are subject to the New Member Non-Transaction Fee Waiver.]

Type of Trading Permit	Monthly MIAX PEARL Trading Permit Fee
Member that connects via the FIX Interface	Tier 1 \$250 Tier 2 \$350 Tier 3 \$450

Member that connects via the MEO Interface*	Tier 1 \$300 Tier 2 \$400 Tier 3 \$500
Member that is an EEM Clearing Firm	\$250

* Members that connect via the MEO Interface and that also connect via the FIX Interface will be assessed the rates for both types of Trading Permits set forth above, but will receive a \$100 credit towards the Trading Permit Fees set forth above for MEO Interface use.

4) No change.

5) System Connectivity Fees

a) – c) No change.

d) Port Fees

MIAX PEARL will assess monthly Port Fees on Members in each month the Member is credentialed to use a Port in the production environment. The Port Fees assessable for FIX Ports, Limited Service MEO Ports, Purge Ports, CTD Ports and FXD Ports are as set forth in the table below. The Port Fees assessable for Full Service MEO Ports, both Bulk and/or Single, are based upon the Non-Transaction Fees Volume-Based Tiers, as set forth in the table below. MIAX PEARL has primary and secondary data centers and a disaster recovery center. Each Port provides access to all three data centers for a single fee. Unless otherwise specifically set forth in the Fee Schedule, the Port Fees include the information communicated through the Port at no additional charge. [Such fees are subject to the New Member Non-Transaction Fee Waiver.]

Type of Port	Monthly Port Fees Includes Connectivity to the Primary, Secondary and Disaster Recovery Data Centers
FIX Port [^]	Per Port: 1 st \$275, 2 nd to 5 th \$175, 6 th or more \$75
Full Service MEO Port - Bulk*	Tier 1 \$3,000 Tier 2 \$4,500 Tier 3 \$5,000
Full Service MEO Port - Single*	Tier 1 \$2,000 Tier 2 \$3,375 Tier 3 \$3,750
Limited Service MEO Port**	1 st to 2 nd \$0, 3 rd to 4 th \$200, 5 th to 6 th \$300, 7 th to 8 th \$400
MEO Purge Port***	\$750
CTD Port [^]	Per Port: \$450
FXD Port [^]	Per Port: \$250

* The rates set forth above for Full Service MEO Ports, both Bulk and/or Single, entitle a Member to two (2) such Ports for each Matching Engine for a single port fee. If a Member selects at least one Full Service MEO Port – Bulk as part of their two (2) Ports, i.e. option (c) described below, the rates applicable to Full Service MEO Port – Bulk set forth above apply.

** Each Limited Service MEO Port fee entitles a Member to one (1) such port for each Matching Engine. For example, the purchase of 4 Limited Service MEO Ports will allow the Member to access 4 ports per Matching Engine.

*** The MEO Purge Port fee entitles a Member to two (2) such ports for each Matching Engine for a single port fee.

^ Each port will have access to all Matching Engines.

Members may be allocated two (2) Full-Service MEO Ports of either type per Matching Engine and up to eight (8) Limited Service MEO Ports per Matching Engine. The two (2) Full-Service MEO Ports that may be allocated per Matching Engine to a Member may consist of: (a) two (2) Full Service MEO Ports – Bulk; (b) two (2) Full Service MEO Ports – Single; or (c) one (1) Full Service MEO Port – Bulk and one (1) Full Service MEO Port - Single.

e) – f) No change.

6) Market Data Fees

a) MIAX PEARL Top of Market (“ToM”)

Distributor Type	Monthly Fee
Internal Distributor	\$500
External Distributor	\$750

MIAX PEARL will assess Market Data Fees applicable to ToM on Internal and External Distributors in each month the Distributor is credentialed to use ToM in the production environment. A Distributor of MIAX PEARL data is any entity that receives a feed or file of data either directly from MIAX PEARL or indirectly through another entity and then distributes it either internally (within that entity) or externally (outside that entity). All Distributors are required to execute a MIAX PEARL Distributor Agreement. Market Data Fees for ToM will be reduced for new Distributors for the first month during which they subscribe to ToM, based on the number of trading days that have been held during the month prior to the date on which they have been credentialed to use ToM in the production environment. Such new Distributors will be assessed a pro-rata percentage of the fees described above, which is the percentage of the number of trading days remaining in the affected calendar month as of the date on which they have been credentialed to use ToM in the production environment, divided by the total number of trading days in the affected calendar month. [Such fees are subject to the New Member Non-Transaction Fee Waiver.]

b) MIAX PEARL Liquidity Feed (“PLF”)

Distributor Type	Monthly Fee
Internal Distributor	\$1,250
External Distributor	\$1,500

MIAX PEARL will assess Market Data Fees applicable to PLF on Internal and External Distributors in each month the Distributor is credentialed to use PLF in the production environment. A Distributor of MIAX PEARL data is any entity that receives a feed or file of data either directly from MIAX PEARL or indirectly through another entity and then distributes it either internally (within that entity) or externally (outside that entity). All Distributors are required to execute a MIAX PEARL Distributor Agreement. Market Data Fees for PLF will be reduced for new Distributors for the first month during which they have been credentialed to use PLF in the production environment, based on the number of trading days that have been held during the month prior to the date on which they have been credentialed to use PLF in the production environment. Such new Distributors will be assessed a pro-rata percentage of the fees described above, which is the percentage of the number of trading days remaining in the affected calendar month as of the date on which they have been credentialed to use PLF in the production

environment, divided by the total number of trading days in the affected calendar month. [Such fees are subject to the New Member Non-Transaction Fee Waiver.]

c) No change.