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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
Form 19b-4

File No. \* SR 2023 - \* 11

Amendment No. (req. for Amendments \*)

Filing by MIAX PEARL, LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

<b>Initial *</b> <input checked="" type="checkbox"/>	<b>Amendment *</b> <input type="checkbox"/>	<b>Withdrawal</b> <input type="checkbox"/>	<b>Section 19(b)(2) *</b> <input type="checkbox"/>	<b>Section 19(b)(3)(A) *</b> <input checked="" type="checkbox"/>	<b>Section 19(b)(3)(B) *</b> <input type="checkbox"/>
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<b>Pilot</b> <input type="checkbox"/>	<b>Extension of Time Period for Commission Action *</b> <input type="checkbox"/>	<b>Date Expires *</b> <input type="text"/>
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Rule

<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**

**Section 806(e)(1) \***

**Section 806(e)(2) \***

**Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934**

**Section 3C(b)(2) \***

**Exhibit 2 Sent As Paper Document**

**Exhibit 3 Sent As Paper Document**

**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

Amend Rule 2622,Limit Up-Limit Down Plan and Trading Halts

**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 \*** Chris **Last Name \*** Solgan

**Title \*** Vice President, Senior Counsel

**E-mail \*** csolgan@miami-holdings.com

**Telephone \*** (609) 423-9414 **Fax**

**Signature**

Pursuant to the requirements of the Securities Exchange of 1934, MIAX PEARL, LLC has duty caused this filing to be signed on its behalf by the undersigned thereunto duty authorized.

**Date** 02/28/2023

(Title \*)

**By** Chris Solgan

Vice President, Senior Counsel

(Name \*)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Date: 2023.02.28  
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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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SR-PEARL-2023-11 - Exhibit 1.docx

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 Advanced 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 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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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 Sent As Paper Document

**Exhibit 3 - Form, Report, or Questionnaire**

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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 Sent As Paper Document

**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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SR-PEARL-2023-11 Exhibit 5.docx

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 the “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> is filing with the Securities and Exchange Commission (the “Commission”) a proposed rule change to amend Exchange Rule 2622 to establish common criteria and procedures for halting and resuming trading in equity securities on the Exchange’s equity trading platform (referred to herein as “MIAX Pearl Equities”) in the event of regulatory or operational issues, and reorganize the text of the rule.

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 Exchange Board of Directors on February 2, 2023. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action is necessary by the Exchange for the filing of the proposed rule change.

Questions and comments on the proposed rule change may be directed to Chris Solgan, Vice President and Senior Counsel, at (609) 897-8494.

## 3. **Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

a. Purpose

In conjunction with adoption of an amended Nasdaq UTP Plan proposed by its participants (“Amended Nasdaq UTP Plan”),<sup>3</sup> the Exchange is amending Rule 2622 to integrate several definitions and concepts from the Amended Nasdaq UTP Plan and to reorganize the rule in light of the Exchange’s experience with applying the rule over many years as a national securities exchange.<sup>4</sup> The Exchange proposes to reorganize and amend Rule 2622, entitled Limit Up-Limit Down Plan and Trading Halts, on MIAX Pearl Equities. The rule sets forth the Exchange’s authority to halt trading under various circumstances. The Exchange is a participant

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<sup>3</sup> On February 11, 2021, the Nasdaq UTP Plan participants filed Amendment 50 to the Plan, to revise provisions governing regulatory and operational halts. See Letter from Robert Brooks, Chairman, UTP Operating Committee, Nasdaq UTP Plan, to Vanessa Countryman, Secretary, Securities and Exchange Commission, dated February 11, 2021. The Nasdaq UTP Plan subsequently filed two partial amendments to the 50<sup>th</sup> Amendment, on March 31, 2021 and on April 7, 2021. The SEC approved the amendments on May 28, 2021. See Securities Exchange Act Release No. 34-92071 (May 28, 2021), 86 FR 29846 (June 3, 2021) (S7-24- 89). The Amended Nasdaq UTP Plan includes provisions requiring participant self-regulatory organizations (“SROs”) to honor a Regulatory Halt declared by the Primary Listing Market. The provisions in the Nasdaq UTP Plan, and the plan for consolidation of data for non-Nasdaq-listed securities, the Consolidated Tape System and Consolidated Quotations System (collectively, the “CTA/CQS Plan”), include provisions similar to the changes proposed by the Exchange in this filing.

<sup>4</sup> The Exchange notes that this proposed rule change is based on a similar proposed rule change recently filed by Nasdaq PHLX LLC (“Phlx”). See Securities Exchange Act Release No. 96574 (December 22, 2022), 87 FR 80213 (December 29, 2022) (SR-Phlx-2022-49). The Exchange also notes The Nasdaq Stock Market, LLC (“Nasdaq”) filed a similar proposed rule change with the Commission. See Securities Exchange Act Release No. 94370 (March 7, 2022), 87 FR 14071 (March 11, 2022); Securities Exchange Act Release No. 94838 (May 3, 2022), 87 FR 27683 (May 9, 2022). The Commission approved the proposed rule change on June 8, 2022. See Securities Exchange Act Release No. 95069 (June 8, 2022), 87 FR 36018 (June 14, 2022). The Exchange’s proposal provides the Exchange with less authority to declare halts in the event of regulatory or operational issues than under Nasdaq’s proposal because the Exchange, unlike Nasdaq, is not a Primary Listing Market. Given the Exchange’s status as a non-Primary Listing Market, certain definitions and concepts from the Amended Nasdaq UTP Plan, integrated in Nasdaq’s proposal, are not included herein.

of the transaction reporting plan governing Tape C Securities (“Nasdaq UTP Plan”).<sup>5</sup> As part of these changes, the Exchange will amend categories of regulatory and operational halts, improve the rule’s clarity, adopt defined terms from the Amended Nasdaq UTP Plan, and relocate certain existing provisions within Exchange Rule 2622.

### Background

The Exchange has been working with other SROs to establish common criteria and procedures for halting and resuming trading in equity securities in the event of regulatory or operational issues. These common standards are designed to ensure that events which might impact multiple exchanges are handled in a consistent manner that is transparent. The Exchange believes that implementation of these common standards will assist the SROs in maintaining fair and orderly markets. Notwithstanding the development of these common standards, the Exchange will retain discretion in certain instances as to whether and how to handle halts, as is discussed below.

Every U.S.-listed equity security has its primary listing on a specific stock exchange that is responsible for a number of regulatory functions.<sup>6</sup> These include confirming that the security

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<sup>5</sup> Each transaction reporting plan has a securities information processor (“SIP”) responsible for consolidation of information for the plan’s securities, pursuant to Rule 603 of Regulation NMS. The transaction reporting plan for Nasdaq-listed securities is known as The Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis or the “Nasdaq UTP Plan.” Pursuant to the Nasdaq UTP Plan, the UTP SIP, which is Nasdaq, consolidates order and trade data from all markets trading Nasdaq-listed securities. The Exchange uses the term “UTP SIP” herein when referring specifically to the SIP responsible for consolidation of information in Nasdaq-listed securities.

<sup>6</sup> The Exchange is proposing to adopt Primary Listing Market as a new term, defined in Nasdaq UTP Plan, Section X.A.8, as follows: “[T]he national securities exchange on which an Eligible Security is listed. If an Eligible Security is listed on more than one national securities exchange, Primary Listing Market means the exchange on which the security has been listed the longest.”

continues to meet the exchange's listing standards, monitoring trading in that security and taking action to halt trading in the security when necessary to protect investors and to ensure a fair and orderly market. While these core responsibilities remain with the primary listing venue, trading in the security can occur on multiple exchanges that have unlisted trading privileges for the security<sup>7</sup> or in the over-the-counter market, regulated by the Financial Industry Regulatory Authority, Inc. ("FINRA"). The exchanges and FINRA are responsible for monitoring activity on the markets over which they have oversight, but also must abide by the regulatory decisions made by the Primary Listing Market. For example, a venue trading a security pursuant to unlisted trading privileges must halt trading in that security during a Regulatory Halt, which is a defined term under the proposed rules,<sup>8</sup> and may only trade the security once the Primary Listing Market has cleared the security to resume trading.

While the Exchange and the other SROs intend to harmonize certain aspects of their trading halt rules, other elements of the rules will continue to be unique to each market. The Exchange believes that this is appropriate to reflect different products listed or traded on each market. The Exchange also proposed to relocate paragraphs (h)(2) – (5) of Exchange Rule 2622 to paragraphs (h)(2)(A)(i)(b) – (e).

The Exchange will implement all of the changes proposed herein in conjunction with other SROs implementing the necessary rule changes. The Exchange will publish a Trading Alert at least 30 business days prior to implementing the proposed changes.

### Definitions

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<sup>7</sup> In addition, securities may be listed on The Nasdaq Global Market or The Nasdaq Global Select Market, and also listed on the New York Stock Exchange ("dually-listed"). See Nasdaq Rules 5005(a)(11), 5220 and IM- 5220.

<sup>8</sup> See proposed Rule 2622(h)(1)(I).

The Exchange proposes adding definitions to Rule 2622(h)(1) to consolidate the various definitions that will be used in the Rule, some of which are taken from the Amended Nasdaq UTP Plan. The Exchange is adopting the following terms from the Amended Nasdaq UTP Plan: “Operating Committee,” “Operational Halt,” “Primary Listing Market,” “Processor,”<sup>9</sup> “Regulatory Halt,” “Regular Trading Hours,”<sup>10</sup> “SIP Halt,” and “SIP Halt Resume Time.” The Exchange is adopting a modified form of the term “Extraordinary Market Activity” from the Amended Nasdaq UTP Plan, as described below. The definition of “UTP Exchange Traded Product” has been moved into the definitions section from elsewhere in the current Rules without change.<sup>11</sup> The definitions of “Trust Shares,” “Index Fund Shares,” “Managed Fund Shares,” and “Trust Issues Receipts” have been added as subcategories to the defined term “UTP Exchange Traded Product.”<sup>12</sup>

First, the Exchange proposes to add the definition of “Primary Listing Market”<sup>13</sup> to Rule 2622, which will have the same meaning as in the Amended Nasdaq UTP Plan, Section X.A.8.

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<sup>9</sup> The Exchange proposes to also define the term “SIP” to have the same meaning as the term “Processor” as set forth in the Amended Nasdaq UTP Plan. Because the terms “Processor” and “SIP” are also used throughout the Rules, at times, to apply to processors of information furnished pursuant to the Consolidated Tape Association Plan (“CTA Plan”), the term “Processor” may, in those applicable circumstances, refer to the processor of transactions in Tape A and B securities, as set forth in the CTA Plan.

<sup>10</sup> The Exchange notes that pursuant to existing Rule 1901, the Regular Trading Session occurs until 4:00 p.m.

<sup>11</sup> “UTP Exchange Traded Product” is currently defined in Rule 1901.

<sup>12</sup> As noted above, the Exchange is adopting several new terms that have the same meaning as those terms are defined in the Amended Nasdaq UTP Plan. Each of the national market system plans governing the single plan processors has identical definitions of these terms, thus there will be uniformity in the meaning of the terms among such plans as well as among the rules of the SROs. The definitions of these terms are also identical to those recently adopted by Phlx. See supra note 4.

<sup>13</sup> See proposed Rule 2622(h)(1)(G).

As is currently the case under the Nasdaq UTP Plan, all Regulatory Halt decisions are made by the market on which the security has its primary listing. This reflects the regulatory responsibility that the Primary Listing Market has for fair and orderly trading in the securities that list on its market and its direct access to its listed companies, which are required to advise it of certain events and maintain lines of communication with the Primary Listing Market. The proposed definition makes clear that if a security is listed on more than one market (a dually-listed security), the Primary Listing Market means the exchange on which the security has been listed the longest. This provision matches language used in the definition of “Primary Listing Exchange” in the Limit-Up Limit-Down Plan and will avoid conflict in the event of dually-listed securities.

Second, the Exchange proposes to add the definition of “Extraordinary Market Activity” to Rule 2622,<sup>14</sup> which would represent a modified version of the term defined in the Amended Nasdaq UTP Plan, Section X.A.1.<sup>15</sup> Specifically, the Exchange proposes to remove the concept of a “market-wide basis” from the Amended Nasdaq UTP Plan’s definition of Extraordinary Market Activity for purposes of the Exchange’s Rules because the term “Extraordinary Market Activity” would only be used in the Exchange’s Rules as a basis for the Exchange to initiate an

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<sup>14</sup> See proposed Rule 2622(h)(1)(B).

<sup>15</sup> In the Amended Nasdaq UTP Plan, “Extraordinary Market Activity” means a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact, on a market-wide basis, on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, or transaction information for a sustained period.



Operational Halt, which would only occur on the market declaring the halt (i.e., the Exchange).<sup>16</sup>

The current rule does not include a definition for Extraordinary Market Activity.

The third set of new proposed definitions would be specific to events involving the SIP. While the Exchange recognizes that many events involving the SIP would also meet the definition of “Extraordinary Market Activity” (as defined in the Amended Nasdaq UTP Plan), the Exchange believes that the critical role of the SIPs in market infrastructure factors in favor of additional guidance on how such events will be handled. The definitions of “SIP Halt Resume Time” and “SIP Halt” are intended to provide additional guidance to address this subset of potential market issues.<sup>17</sup> In addition, the Exchange is proposing to define terms related to SIP governance needed in order to understand these definitions:

- “Processor” or “SIP”<sup>18</sup> have the same meaning as the term “Processor” set forth in the Nasdaq UTP Plan, namely the entity selected by the Participants to perform the processing functions set forth in the Plan. Because the terms “Processor” and “SIP” are also used throughout the Rules, at times, to apply to processors of information furnished pursuant to the CTA Plan, the term “Processor” and “SIP”

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<sup>16</sup> The Exchange proposes to define “Extraordinary Market Activity” to mean a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, or transaction information for a sustained period.

<sup>17</sup> The Exchange proposes to define the terms “SIP Halt Resume Time” and “SIP Halt” to have the same meaning as in the Amended Nasdaq UTP Plan.

<sup>18</sup> See proposed Rule 2622(h)(1)(H).

may, in those applicable circumstances, refer to the processor of transactions in Tape A and B securities, as set forth in the CTA Plan.

- “SIP Plan”<sup>19</sup> is defined as the national market system plan governing the SIP.
- “Operating Committee”<sup>20</sup> is defined as having the same meaning as in the Nasdaq UTP Plan, namely the committee charged with administering the Nasdaq UTP Plan.

The Exchange is proposing to adopt a category of Regulatory Halt, called a “SIP Halt,”<sup>21</sup> which will have the same meaning as that term is defined in Section X.A.11. of the Nasdaq UTP Plan, namely “a Regulatory Halt to trading in one or more securities that a Primary Listing Market declares in the event of a SIP Outage or Material SIP Latency.” This new category of Regulatory Halt will address situations where the Primary Listing Market declares a Regulatory Halt in one or more securities as a result of a SIP outage<sup>22</sup> or material SIP latency.<sup>23</sup>

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<sup>19</sup> See proposed Rule 2622(h)(1)(M).

<sup>20</sup> See proposed Rule 2622(h)(1)(C).

<sup>21</sup> See proposed Rule 2622(h)(1)(K).

<sup>22</sup> SIP outage means a situation in which the Processor has ceased, or anticipates being unable, to provide updated and/or accurate quotation or last sale price information in one or more securities for a material period that exceeds the time thresholds for an orderly failover to backup facilities established by mutual agreement among the Processor, the Primary Listing Market for the affected securities, and the Operating Committee unless the Primary Listing Market, in consultation with the Processor and the Operating Committee, determines that resumption of accurate data is expected in the near future. See Amended Nasdaq UTP Plan, Section X.A.13.

<sup>23</sup> Material SIP latency means a delay of quotation or last sale price information in one or more securities between the time data is received by the Processor and the time the Processor disseminates the data over the Processor’s vendor lines, which delay the Primary Listing Market determines, in consultation with, and in accordance with, publicly disclosed guidelines established by the Operating Committee, to be (a) material and (b) unlikely to be resolved in the near future. See Amended Nasdaq UTP Plan, Section X.A.5.

The Exchange proposes to add a definition of “Regulatory Halt”<sup>24</sup> as having the same meaning as in Section X.A.10 of the Amended Nasdaq UTP Plan. Specifically, the Exchange has proposed to define Regulatory Halt to mean a halt declared by the Primary Listing Market in trading in one or more securities on all Trading Centers for regulatory purposes, including for the dissemination of material news, news pending, suspensions, or where otherwise necessary to maintain a fair and orderly market. A Regulatory Halt includes a trading pause triggered by Limit Up Limit Down, a halt based on Extraordinary Market Activity (as defined in the Amended Nasdaq UTP Plan), a trading halt triggered by a Market-Wide Circuit Breaker, and a SIP Halt.

The Exchange proposes to add a definition of “Operational Halt,”<sup>25</sup> which is defined as having the same meaning as in Section X.A.7 of the Amended Nasdaq UTP Plan. Specifically, the Exchange is proposing to define Operational Halt to mean a halt in trading in one or more securities only on the market declaring the halt and is not a Regulatory Halt. An Operational Halt is effective only on the Exchange; other markets are not required to halt trading in the impacted securities. In practice, the Exchange has always had the capacity to implement operational halts in specified circumstances.<sup>26</sup> The proposed change would provide greater clarity on when an Operational Halt may be implemented and the process for halting and resuming trading in the event of an Operational Halt. An Operational Halt is not a Regulatory Halt.

#### Regulatory Halt

Proposed Rule 2622(h)(2)(A)(i) – (ii) includes two situations in which the Exchange must

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<sup>24</sup> See proposed 2622(h)(1)(I).

<sup>25</sup> See proposed Rule 2622(h)(1)(D).

<sup>26</sup> See Exchange Rule 2600(b).

halt trading pursuant to a Regulatory Halt: under the Limit Up-Limit Down Plan or pursuant to extraordinary market volatility (market-wide circuit breakers). Proposed Rule 2622(h)(2)(A)(i) retains without substantive modification the existing rule with respect to the Limit Up-Limit Down Plan (current Rule 2622(h)(1) – (5)). The Exchange, as a non-Primary Listing Market, does not itself declare trading pauses pursuant to the Limit Up-Limit Down Plan, but rather implements such pauses declared by Primary Listing Markets. The Exchange proposes to make clear in Rule 2622(h)(2)(A)(ii) that a trading halt pursuant to extraordinary market volatility (market-wide circuit breakers), as is described in Rule 2622(a), constitutes a Regulatory Halt.

The Exchange proposes to add proposed Rule 2622(h)(2)(A)(iii), which makes clear that the start time of a Regulatory Halt is the time the Primary Listing Market declares the Regulatory Halt, regardless of whether communications issues impact the dissemination of notice of the Halt.<sup>27</sup> This proposal would provide market participants with certainty on the official start time of the Regulatory Halt. Under the proposed rule, the start time is fixed by the Primary Listing Market; it is not dependent on whether notice is disseminated immediately. This will avoid possible disagreement if the Regulatory Halt time were tied to dissemination or receipt of notification, which may occur at different times. The Exchange recognizes that in situations where communication is interrupted, trades may continue to occur until news of the Regulatory Halt reaches all trading centers. However, a fixed “official” Regulatory Halt time will allow SROs to revisit trades after the fact and determine in a consistent manner whether specific trades should stand.

Current Rule 2622(c), states, in part, that if the primary listing market declares a halt, the

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<sup>27</sup> This is consistent with the Amended Nasdaq UTP Plan. See Amended Nasdaq UTP Plan, Section X.D.1.

Exchange will halt trading in that security. This would be reiterated in proposed Rule 2622(h)(2)(2)(A)(iii). Consistent with Section X.G of the Nasdaq UTP Plan, the proposed Rule will more broadly require the Exchange to halt trading of a UTP security if the Primary Listing Market declares a Regulatory Halt in that security.

#### Resumption of Trading After a Regulatory Halt

The SROs have jointly developed processes to govern the resumption of trading in the event of a Regulatory Halt. While the actual process of re-launching trading will remain unique to each exchange, the proposed rule would harmonize certain common elements of the reopening process that would benefit from consistency across markets. These common elements include the primacy of the Primary Listing Market in resumption decisions, the requirement that the Primary Listing Market make its determination to resume trading in good faith,<sup>28</sup> and certain parts of the complex process of reopening trading after a SIP Halt. With respect to a SIP Halt, common elements of the reopening process include the interaction among SROs (including the Primary Listing Market with the SIP), the requirement that the Primary Listing Market terminate a SIP Halt with a notification that specifies a SIP Halt Resume Time, the minimum quoting times before resumption of trading, the cutoff time after which trading would not resume during Regular Trading Hours, and the time when trading may resume if the Primary Listing Market does not open a security within the amount of time specified in its rules after the SIP Halt Resume Time.

Proposed Rule 2622(h)(2)(B) provides the process to be followed when resuming trading upon the conclusion of a Regulatory Halt. The new rule, which incorporates Section X.E.1 and

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<sup>28</sup> See Partial Amendment No. 1 of Trading Halt Amendments to the UTP Plan, dated March 31, 2021.

X.F.3 of the Amended Nasdaq UTP Plan, is divided into the following two subsections concerning resumption of trading: (A) after a Regulatory Halt other than a SIP Halt; and (B) after a SIP Halt. Proposed Rule 2622(h)(2)(B)(i)(a) provides that, for a Regulatory Halt other than a SIP Halt, the Exchange may resume trading subject to the Regulatory Halt after the Exchange receives notification from the Primary Listing Market that the Regulatory Halt has been terminated. The Exchange does not conduct halt crosses and, therefore, the resumption of trading in these securities will occur once notice from the Primary Listing Market is received.

Proposed Rule 2622(h)(2)(B)(ii)(a) provides that, for securities subject to a SIP Halt initiated by another exchange that is the Primary Listing Market, during Regular Trading Hours, the Exchange may resume trading after trading has resumed on the Primary Listing Market or notice has been received from the Primary Listing Market that trading may resume. During Regular Trading Hours, if the Primary Listing Market does not open a security within the amount of time specified by the rules of the Primary Listing Market after the SIP Halt Resume Time, the Exchange may resume trading in that security.

Proposed Rule 2622(h)(2)(B)(iii) retains without substantive modification existing Rule 2622(h)(6). Proposed Rule 2622(h)(2)(B)(iii) states that the Exchange will the Exchange shall re-open the security pursuant to the procedures set forth in Exchange Rule 2615, which describes the Exchange's re-opening process and provide, in sum, that the Exchange will re-open trading in following a halt by matching buy and sell orders at the midpoint of the national best bid and offer ("NBBO").

#### Operational Halt

The Exchange proposes in Rule 2622(h)(3) to address Operational Halts, which are non-regulatory in nature and apply only to the exchange that calls the halt. The ability to call an

Operational Halt has existed for a long time, although in the Exchange’s experience, such halts have rarely been initiated. As part of the Exchange’s assessment with the other SROs of the halting and resumption of trading, the Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate.<sup>29</sup> In part, the proposed change is designed to cover situations similar to those that might constitute a Regulatory Halt, but where the impact is limited to a single market. For example, just as a market disruption might trigger a Regulatory Halt for Extraordinary Market Activity (as defined in the Amended Nasdaq UTP Plan) if it affects multiple markets, a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers.

Proposed Rule 2622(h)(3) would authorize the Exchange to implement an Operational Halt for any security trading on the Exchange:

- if it is experiencing Extraordinary Market Activity<sup>30</sup> on the Exchange; or
- when otherwise necessary to maintain a fair and orderly market or in the public interest.

Proposed Rule 2622(h)(3)(B) provides the process for initiating an Operational Halt.

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<sup>29</sup> Differences between Nasdaq and the Exchange’s proposals as it relates to Operational Halts stem from Nasdaq’s status as a Primary Listing Market, unlike the Exchange.

<sup>30</sup> “Extraordinary Market Activity” in proposed Rule 2622(h)(1)(B) would have the meaning proposed by the Exchange, which is a modified form of the term from the Amended Nasdaq UTP Plan, as described above.

Under the proposed rule, the Exchange must notify the SIP if it has concerns about its ability to collect and transmit Quotation Information or Transaction Reports, or if it has declared an Operational Halt or suspension of trading in one or more Eligible Securities, pursuant to the procedures adopted by the Operating Committee.

Proposed Rule 2622(h)(3)(C) will clarify how the Exchange resumes trading after an Operational Halt. Proposed Rule 2622(h)(3)(C)(i) provides that the Exchange would resume trading when it determines that trading may resume in a fair and orderly manner consistent with the Exchange's rules. Proposed Rule 2622(h)(3)(C)(ii) provides that orders entered during the Operational Halt will not be accepted, unless subject to instructions that the order will be directed to another Trading Center. Proposed Rule 2622(h)(3)(C)(iii) provides that trading in a halted security shall resume at the time specified by the Exchange in a notice. Proposed Rule 2622(h)(3)(C)(iii) also specifies that Exchange will notify all other Plan participants and the SIP using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. If the SIP is unable to disseminate notice of an Operational Halt or the Exchange is not open for trading, the Exchange will take reasonable steps to provide notice of an Operational Halt, which shall include both the type and start time of the Operational Halt. Each Plan participant shall continuously monitor communication protocols established by the Operating Committee and the Processor during market hours to disseminate notice of an Operational Halt, and the failure of a participant to do so shall not prevent the Exchange from initiating an Operational Halt.

b. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in



particular, with the requirements of Section 6(b) of the Act.<sup>31</sup> Specifically, the proposal is consistent with Section 6(b)(5) of the Act<sup>32</sup> because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest.

As described above, the Exchange and other SROs are seeking to adopt harmonized rules related to halting and resuming trading in U.S.-listed equity securities. The Exchange believes that the proposed rules will provide greater transparency and clarity with respect to the situations in which trading will be halted and the process through which that halt will be implemented and terminated. Particularly, the proposed changes seek to achieve consistent results for participants across U.S. equities exchanges while maintaining a fair and orderly market, protecting investors and protecting the public interest. Based on the foregoing, the Exchange believes that the proposed rules are consistent with Section 6(b)(5) of the Act<sup>33</sup> because they will foster cooperation and coordination with persons engaged in regulating and facilitating transactions in securities.

As discussed previously, the Exchange believes that the various provisions of the proposed rules that will apply to all SROs are focused on the type of cross-market event where a consistent approach will assist market participants and reduce confusion during a crisis. Because market participants often trade the same security across multiple venues and trade securities listed on different exchanges as part of a common strategy, the Exchange believes that the proposed rules will lessen the risk that market participants holding a basket of securities will

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<sup>31</sup> 15 U.S.C. 78f(b).

<sup>32</sup> 15 U.S.C. 78f(b)(5).

<sup>33</sup> Id.

have to deal with divergent outcomes depending on where the securities are listed or traded. Conversely, the proposed rules would still allow individual SROs to react differently to events that impact various securities or markets in different ways. This avoids the “brittle market” risk where an isolated event at a single market forces all markets trading equities securities to halt or halts trading in all securities where the issue impacted only a subset of securities. By addressing both concerns, the Exchange believes that the proposed rules further the Act’s goal of maintaining fair and orderly markets.

The Exchange believes that the proposed rules’ focus of responsibility on the Primary Listing Market for decisions related to a Regulatory Halt and the resumption of trading is consistent with the Act, which itself imposes obligations on exchanges with respect to issuers that are listed. As is currently the case, the Primary Listing Market would be responsible for the many regulatory functions related to its listings, including the determination of when to declare a Regulatory Halt. While these core responsibilities remain with the Primary Listing Market, trading in the security can occur on multiple exchanges that have unlisted trading privileges for the security, such as on the Exchange, or in the over-the-counter market, regulated by FINRA. The Exchange is responsible for monitoring activity on its own markets, but also must honor a Regulatory Halt.

The proposed changes relating to Regulatory Halts would ensure that all SROs handle the situations covered therein in a consistent manner that would prevent conflicting outcomes in cross-market events and ensure that all trading centers recognize a Regulatory Halt declared by the Primary Listing Market. The changes are consistent with and implement the Amended Nasdaq UTP Plan.

The Exchange believes that the definitions in the proposed rules are also consistent with

the Act. The Exchange proposes adding definitions to Rule 2622(h)(1) to consolidate the various definitions that will be used in the Rule, some of which are taken from the Amended Nasdaq UTP Plan. The Exchange is adopting a modified form of the term “Extraordinary Market Activity” from the Amended Nasdaq UTP Plan, as described above. In addition, several other definitions have been moved into the definitions section from elsewhere in the current rule without changes in the definitions. As noted, certain definitions are consistent with the definitions in the Amended Nasdaq UTP Plan, furthering the Act’s goal of promoting fair and orderly markets. For example, the Exchange is proposing to adopt a definition of “SIP Halt,” to explicitly address a situation that may disrupt the markets, and this definition is identical to the definition in the Amended Nasdaq UTP Plan. In addition to “SIP Halt,” the Exchange is adopting the following terms from the Amended Nasdaq UTP Plan: “Operating Committee,” “Operational Halt,” “Primary Listing Market,” “Processor,” “Regulatory Halt,” “Regular Trading Hours,” and “SIP Halt Resume Time,” as discussed above.

The Exchange believes that the proposed rules, which make halts more consistent across exchange rules, are consistent with the Act in that they will foster cooperation and coordination with persons engaged in regulating the equities markets. In particular, the Exchange believes it is important for SROs to coordinate when there is a widespread and significant event, as multiple trading centers are impacted in such an event. Further, while the Exchange recognizes that the proposed rule will not guarantee a consistent result on every market in all situations, the Exchange does believe that it will assist in that outcome. While the proposed rules relating to Regulatory Halts focuses primarily on the kinds of cross-market events that would likely impact multiple markets, individual SROs will still retain flexibility to deal with unique products or smaller situations confined to a particular market.

Also consistent with the Act, and with the Amended Nasdaq UTP Plan, is the Exchange's proposal in Rule 2622(h)(3) to address Operational Halts, which are non-regulatory in nature and apply only to the exchange that calls the halt. As noted earlier, the Exchange presently has the ability to call an Operational Halt, but does so rarely. The Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. The proposed change is designed to cover situations where the impact is limited to a single market. For example, a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers.

Proposed Rule 2622(h)(3) would authorize the Exchange to implement an Operational Halt for any security trading on the Exchange: (i) if it is experiencing Extraordinary Market Activity on the Exchange; or (ii) when otherwise necessary to maintain a fair and orderly market or in the public interest. Lastly, the proposed relocation of paragraphs (h)(2) – (5) of Exchange Rule 2622 to paragraphs (h)(2)(A)(i)(b) – (e) removes impediments to, and perfects the mechanism of, a free and open market and a national market system because it makes the rule easier to understand, thereby avoiding potential investor confusion.

#### **4. Self-Regulatory Organization's Statement on Burden on Competition**

The Exchange believes the proposal is consistent with Section 6(b)(8) of the Act<sup>34</sup> in that it does not impose any burden on competition that is not necessary or appropriate in furtherance

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<sup>34</sup> 15 U.S.C. 78f(b)(8).

of the purposes of the Act as explained below.

Importantly, the Exchange believes the proposal will not impose a burden on intermarket competition but will rather alleviate any burden on competition because it is the result of a collaborative effort by all SROs to harmonize and improve the process related to the halting and resumption of trading in U.S.-listed equity securities, consistent with the Amended Nasdaq UTP Plan. In this area, the Exchange believes that all SROs should have consistent rules to the extent possible in order to provide additional transparency and certainty to market participants and to avoid inconsistent outcomes that could cause confusion and erode market confidence. The proposed changes would ensure that all SROs handle the situations covered therein in a consistent manner and ensure that all trading centers handle a Regulatory Halt consistently. The Exchange understands that all other non-Primary Listing Markets intend to file proposals that are substantially similar to this proposal.

The Exchange does not believe that its proposals concerning Operational Halts impose an undue burden on competition. Under the existing Rules, the Exchange already possesses discretionary authority to impose Operational Halts for various reasons, including because of an order imbalance or influx that causes another national securities exchange to impose a trading halt in a security. As described earlier, the proposed Rule change clarifies and broadens the circumstances in which the Exchange may impose such Halts, and specifies procedures for both imposing and lifting them. The Exchange does not intend for these proposals to have any competitive impact whatsoever. Indeed, the Exchange expects that other exchanges will adopt similar rules and procedures to govern operational halts, to the extent that they have not done so already.

The Exchange does not believe that the proposed rule change imposes a burden on

intramarket competition because the provisions apply to all market participants equally. In addition, information regarding the halting and resumption of trading will be disseminated using several freely accessible sources to ensure broad availability of information in addition to the SIP data and proprietary data feeds offered by the Exchange and other SROs that are available to subscribers. In addition, the declaration and timing of trading halts and the resumption of trading is designed to avoid any advantage to those who can react more quickly than other participants. The proposals encourage early and frequent communication among the SROs, SIPs and market participants to enable the dissemination of timely and accurate information concerning the market to market participants.

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 Act<sup>35</sup> and Rule 19b-4(f)(6)<sup>36</sup> 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.

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<sup>35</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>36</sup> 17 CFR 240.19b-4(f)(6).

The proposed changes do not significantly affect the protection of investors or the public interest; instead, they will further the interests of investors and the public by, among other things, establishing common criteria and procedures for halting and resuming trading in equity securities in the event of regulatory or operational issues.

These common standards are designed to ensure that events which might impact multiple exchanges are handled in a consistent manner that is transparent. The Exchange believes that implementation of these common standards will assist the SROs in maintaining fair and orderly markets that will better serve the interests of investors. Moreover, the proposed changes will not impose any significant or undue burden on competition to the extent that they serve these purposes. As discussed above, the Exchange believes the proposal will alleviate any burden on competition because it is the result of a collaborative effort by all SROs to harmonize and improve the process related to the halting and resumption of trading in U.S.-listed equity securities, consistent with the Amended Nasdaq UTP Plan. The Exchange notes that this proposed rule change is based on a similar proposed rule change recently filed by Phlx and therefore does not present any new or novel issues not already considered by the Commission.<sup>37</sup>

Furthermore, Rule 19b-4(f)(6)(iii)<sup>38</sup> requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

For the foregoing reasons, this rule filing qualifies as a “non-controversial” rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the

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<sup>37</sup> See supra note 4.

<sup>38</sup> 17 CFR 240.19b-4(f)(6)(iii).

Commission. 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 proposed changes implement the trading halt amendments adopted by the Nasdaq UTP Plan, see Securities Exchange Act Release No. 34-92071 (May 28, 2021), 86 FR 29846 (June 3, 2021) (S7-24-89), and will make the Exchange's rules concerning halts consistent with those of the other non-Primary Listing Markets.

In addition, the proposal is similar to a proposal that Nasdaq filed with the Commission, SR-NASDAQ-2022-017, except that the Exchange's proposal provides the Exchange with less authority to declare halts in the event of regulatory or operational issues because of the fact that the Exchange, unlike Nasdaq, is not a Primary Listing Market. Such differences do not raise any novel or controversial issues, as the authority the Exchange seeks, as a non-Primary Listing Market, is already provided for in Nasdaq's filing, and it is generally consistent with the authority that the Exchange already possesses in this regard.

Lastly, the proposed rule change is based on a similar proposed rule change recently filed by Phlx.<sup>39</sup>

**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**

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<sup>39</sup> See supra note 4.



Not applicable.

**11. Exhibits**

1. Notice of proposed rule for publication in the Federal Register.
5. Text of proposed rule change.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-PEARL-2023-11)

February \_\_\_\_\_, 2023

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Exchange Rule 2622, Limit Up-Limit Down Plan and Trading Halts

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February\_\_\_\_, 2023, MIAX PEARL, LLC (“MIAX Pearl” or the “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 amend Exchange Rule 2622 to establish common criteria and procedures for halting and resuming trading in equity securities on the Exchange’s equity trading platform (referred to herein as “MIAX Pearl Equities”) in the event of regulatory or operational issues, and reorganize the text of the rule.

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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

In conjunction with adoption of an amended Nasdaq UTP Plan proposed by its participants (“Amended Nasdaq UTP Plan”),<sup>3</sup> the Exchange is amending Rule 2622 to integrate several definitions and concepts from the Amended Nasdaq UTP Plan and to reorganize the rule in light of the Exchange’s experience with applying the rule over many years as a national securities exchange.<sup>4</sup> The Exchange proposes to reorganize and amend Rule 2622, entitled Limit

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<sup>3</sup> On February 11, 2021, the Nasdaq UTP Plan participants filed Amendment 50 to the Plan, to revise provisions governing regulatory and operational halts. See Letter from Robert Brooks, Chairman, UTP Operating Committee, Nasdaq UTP Plan, to Vanessa Countryman, Secretary, Securities and Exchange Commission, dated February 11, 2021. The Nasdaq UTP Plan subsequently filed two partial amendments to the 50<sup>th</sup> Amendment, on March 31, 2021 and on April 7, 2021. The SEC approved the amendments on May 28, 2021. See Securities Exchange Act Release No. 34-92071 (May 28, 2021), 86 FR 29846 (June 3, 2021) (S7-24- 89). The Amended Nasdaq UTP Plan includes provisions requiring participant self-regulatory organizations (“SROs”) to honor a Regulatory Halt declared by the Primary Listing Market. The provisions in the Nasdaq UTP Plan, and the plan for consolidation of data for non-Nasdaq-listed securities, the Consolidated Tape System and Consolidated Quotations System (collectively, the “CTA/CQS Plan”), include provisions similar to the changes proposed by the Exchange in this filing.

<sup>4</sup> The Exchange notes that this proposed rule change is based on a similar proposed rule change recently filed by Nasdaq PHLX LLC (“Phlx”). See Securities Exchange Act Release No. 96574 (December 22, 2022), 87 FR 80213 (December 29, 2022) (SR-Phlx-2022-49). The Exchange also notes The Nasdaq Stock Market, LLC (“Nasdaq”) filed a similar proposed rule change with the Commission. See Securities Exchange Act Release No. 94370 (March 7, 2022), 87 FR 14071 (March 11, 2022); Securities Exchange Act Release No. 94838 (May 3, 2022), 87 FR 27683 (May 9, 2022). The

Up-Limit Down Plan and Trading Halts, on MIAX Pearl Equities. The rule sets forth the Exchange's authority to halt trading under various circumstances. The Exchange is a participant of the transaction reporting plan governing Tape C Securities ("Nasdaq UTP Plan").<sup>5</sup> As part of these changes, the Exchange will amend categories of regulatory and operational halts, improve the rule's clarity, adopt defined terms from the Amended Nasdaq UTP Plan, and relocate certain existing provisions within Exchange Rule 2622.

### Background

The Exchange has been working with other SROs to establish common criteria and procedures for halting and resuming trading in equity securities in the event of regulatory or operational issues. These common standards are designed to ensure that events which might impact multiple exchanges are handled in a consistent manner that is transparent. The Exchange believes that implementation of these common standards will assist the SROs in maintaining fair and orderly markets. Notwithstanding the development of these common standards, the

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Commission approved the proposed rule change on June 8, 2022. See Securities Exchange Act Release No. 95069 (June 8, 2022), 87 FR 36018 (June 14, 2022). The Exchange's proposal provides the Exchange with less authority to declare halts in the event of regulatory or operational issues than under Nasdaq's proposal because the Exchange, unlike Nasdaq, is not a Primary Listing Market. Given the Exchange's status as a non-Primary Listing Market, certain definitions and concepts from the Amended Nasdaq UTP Plan, integrated in Nasdaq's proposal, are not included herein.

<sup>5</sup> Each transaction reporting plan has a securities information processor ("SIP") responsible for consolidation of information for the plan's securities, pursuant to Rule 603 of Regulation NMS. The transaction reporting plan for Nasdaq-listed securities is known as The Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis or the "Nasdaq UTP Plan." Pursuant to the Nasdaq UTP Plan, the UTP SIP, which is Nasdaq, consolidates order and trade data from all markets trading Nasdaq-listed securities. The Exchange uses the term "UTP SIP" herein when referring specifically to the SIP responsible for consolidation of information in Nasdaq-listed securities.

Exchange will retain discretion in certain instances as to whether and how to handle halts, as is discussed below.

Every U.S.-listed equity security has its primary listing on a specific stock exchange that is responsible for a number of regulatory functions.<sup>6</sup> These include confirming that the security continues to meet the exchange's listing standards, monitoring trading in that security and taking action to halt trading in the security when necessary to protect investors and to ensure a fair and orderly market. While these core responsibilities remain with the primary listing venue, trading in the security can occur on multiple exchanges that have unlisted trading privileges for the security<sup>7</sup> or in the over-the-counter market, regulated by the Financial Industry Regulatory Authority, Inc. ("FINRA"). The exchanges and FINRA are responsible for monitoring activity on the markets over which they have oversight, but also must abide by the regulatory decisions made by the Primary Listing Market. For example, a venue trading a security pursuant to unlisted trading privileges must halt trading in that security during a Regulatory Halt, which is a defined term under the proposed rules,<sup>8</sup> and may only trade the security once the Primary Listing Market has cleared the security to resume trading.

While the Exchange and the other SROs intend to harmonize certain aspects of their trading halt rules, other elements of the rules will continue to be unique to each market. The Exchange believes that this is appropriate to reflect different products listed or traded on each

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<sup>6</sup> The Exchange is proposing to adopt Primary Listing Market as a new term, defined in Nasdaq UTP Plan, Section X.A.8, as follows: "[T]he national securities exchange on which an Eligible Security is listed. If an Eligible Security is listed on more than one national securities exchange, Primary Listing Market means the exchange on which the security has been listed the longest."

<sup>7</sup> In addition, securities may be listed on The Nasdaq Global Market or The Nasdaq Global Select Market, and also listed on the New York Stock Exchange ("dually-listed"). See Nasdaq Rules 5005(a)(11), 5220 and IM- 5220.

<sup>8</sup> See proposed Rule 2622(h)(1)(I).

market. The Exchange also proposed to relocate paragraphs (h)(2) – (5) of Exchange Rule 2622 to paragraphs (h)(2)(A)(i)(b) – (e).

The Exchange will implement all of the changes proposed herein in conjunction with other SROs implementing the necessary rule changes. The Exchange will publish a Trading Alert at least 30 business days prior to implementing the proposed changes.

### Definitions

The Exchange proposes adding definitions to Rule 2622(h)(1) to consolidate the various definitions that will be used in the Rule, some of which are taken from the Amended Nasdaq UTP Plan. The Exchange is adopting the following terms from the Amended Nasdaq UTP Plan: “Operating Committee,” “Operational Halt,” “Primary Listing Market,” “Processor,”<sup>9</sup> “Regulatory Halt,” “Regular Trading Hours,”<sup>10</sup> “SIP Halt,” and “SIP Halt Resume Time.” The Exchange is adopting a modified form of the term “Extraordinary Market Activity” from the Amended Nasdaq UTP Plan, as described below. The definition of “UTP Exchange Traded Product” has been moved into the definitions section from elsewhere in the current Rules without change.<sup>11</sup> The definitions of “Trust Shares,” “Index Fund Shares,” “Managed Fund Shares,” and “Trust Issues Receipts” have been added as subcategories to the defined term “UTP Exchange Traded Product.”<sup>12</sup>

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<sup>9</sup> The Exchange proposes to also define the term “SIP” to have the same meaning as the term “Processor” as set forth in the Amended Nasdaq UTP Plan. Because the terms “Processor” and “SIP” are also used throughout the Rules, at times, to apply to processors of information furnished pursuant to the Consolidated Tape Association Plan (“CTA Plan”), the term “Processor” may, in those applicable circumstances, refer to the processor of transactions in Tape A and B securities, as set forth in the CTA Plan.

<sup>10</sup> The Exchange notes that pursuant to existing Rule 1901, the Regular Trading Session occurs until 4:00 p.m.

<sup>11</sup> “UTP Exchange Traded Product” is currently defined in Rule 1901.

<sup>12</sup> As noted above, the Exchange is adopting several new terms that have the same meaning as those terms are defined in the Amended Nasdaq UTP Plan. Each of the national market

First, the Exchange proposes to add the definition of “Primary Listing Market”<sup>13</sup> to Rule 2622, which will have the same meaning as in the Amended Nasdaq UTP Plan, Section X.A.8. As is currently the case under the Nasdaq UTP Plan, all Regulatory Halt decisions are made by the market on which the security has its primary listing. This reflects the regulatory responsibility that the Primary Listing Market has for fair and orderly trading in the securities that list on its market and its direct access to its listed companies, which are required to advise it of certain events and maintain lines of communication with the Primary Listing Market. The proposed definition makes clear that if a security is listed on more than one market (a dually-listed security), the Primary Listing Market means the exchange on which the security has been listed the longest. This provision matches language used in the definition of “Primary Listing Exchange” in the Limit-Up Limit-Down Plan and will avoid conflict in the event of dually-listed securities.

Second, the Exchange proposes to add the definition of “Extraordinary Market Activity” to Rule 2622,<sup>14</sup> which would represent a modified version of the term defined in the Amended Nasdaq UTP Plan, Section X.A.1.<sup>15</sup> Specifically, the Exchange proposes to remove the concept

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system plans governing the single plan processors has identical definitions of these terms, thus there will be uniformity in the meaning of the terms among such plans as well as among the rules of the SROs. The definitions of these terms are also identical to those recently adopted by Phlx. See supra note 4.

<sup>13</sup> See proposed Rule 2622(h)(1)(G).

<sup>14</sup> See proposed Rule 2622(h)(1)(B).

<sup>15</sup> In the Amended Nasdaq UTP Plan, “Extraordinary Market Activity” means a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact, on a market-wide basis, on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or

of a “market-wide basis” from the Amended Nasdaq UTP Plan’s definition of Extraordinary Market Activity for purposes of the Exchange’s Rules because the term “Extraordinary Market Activity” would only be used in the Exchange’s Rules as a basis for the Exchange to initiate an Operational Halt, which would only occur on the market declaring the halt (i.e., the Exchange).<sup>16</sup> The current rule does not include a definition for Extraordinary Market Activity.

The third set of new proposed definitions would be specific to events involving the SIP. While the Exchange recognizes that many events involving the SIP would also meet the definition of “Extraordinary Market Activity” (as defined in the Amended Nasdaq UTP Plan), the Exchange believes that the critical role of the SIPs in market infrastructure factors in favor of additional guidance on how such events will be handled. The definitions of “SIP Halt Resume Time” and “SIP Halt” are intended to provide additional guidance to address this subset of potential market issues.<sup>17</sup> In addition, the Exchange is proposing to define terms related to SIP governance needed in order to understand these definitions:

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other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, or transaction information for a sustained period.

<sup>16</sup> The Exchange proposes to define “Extraordinary Market Activity” to mean a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, or transaction information for a sustained period.

<sup>17</sup> The Exchange proposes to define the terms “SIP Halt Resume Time” and “SIP Halt” to have the same meaning as in the Amended Nasdaq UTP Plan.



- “Processor” or “SIP”<sup>18</sup> have the same meaning as the term “Processor” set forth in the Nasdaq UTP Plan, namely the entity selected by the Participants to perform the processing functions set forth in the Plan. Because the terms “Processor” and “SIP” are also used throughout the Rules, at times, to apply to processors of information furnished pursuant to the CTA Plan, the term “Processor” and “SIP” may, in those applicable circumstances, refer to the processor of transactions in Tape A and B securities, as set forth in the CTA Plan.
- “SIP Plan”<sup>19</sup> is defined as the national market system plan governing the SIP.
- “Operating Committee”<sup>20</sup> is defined as having the same meaning as in the Nasdaq UTP Plan, namely the committee charged with administering the Nasdaq UTP Plan.

The Exchange is proposing to adopt a category of Regulatory Halt, called a “SIP Halt,”<sup>21</sup> which will have the same meaning as that term is defined in Section X.A.11. of the Nasdaq UTP Plan, namely “a Regulatory Halt to trading in one or more securities that a Primary Listing Market declares in the event of a SIP Outage or Material SIP Latency.” This new category of

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<sup>18</sup> See proposed Rule 2622(h)(1)(H).

<sup>19</sup> See proposed Rule 2622(h)(1)(M).

<sup>20</sup> See proposed Rule 2622(h)(1)(C).

<sup>21</sup> See proposed Rule 2622(h)(1)(K).

Regulatory Halt will address situations where the Primary Listing Market declares a Regulatory Halt in one or more securities as a result of a SIP outage<sup>22</sup> or material SIP latency.<sup>23</sup>

The Exchange proposes to add a definition of “Regulatory Halt”<sup>24</sup> as having the same meaning as in Section X.A.10 of the Amended Nasdaq UTP Plan. Specifically, the Exchange has proposed to define Regulatory Halt to mean a halt declared by the Primary Listing Market in trading in one or more securities on all Trading Centers for regulatory purposes, including for the dissemination of material news, news pending, suspensions, or where otherwise necessary to maintain a fair and orderly market. A Regulatory Halt includes a trading pause triggered by Limit Up Limit Down, a halt based on Extraordinary Market Activity (as defined in the Amended Nasdaq UTP Plan), a trading halt triggered by a Market-Wide Circuit Breaker, and a SIP Halt.

The Exchange proposes to add a definition of “Operational Halt,”<sup>25</sup> which is defined as having the same meaning as in Section X.A.7 of the Amended Nasdaq UTP Plan. Specifically, the Exchange is proposing to define Operational Halt to mean a halt in trading in one or more

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<sup>22</sup> SIP outage means a situation in which the Processor has ceased, or anticipates being unable, to provide updated and/or accurate quotation or last sale price information in one or more securities for a material period that exceeds the time thresholds for an orderly failover to backup facilities established by mutual agreement among the Processor, the Primary Listing Market for the affected securities, and the Operating Committee unless the Primary Listing Market, in consultation with the Processor and the Operating Committee, determines that resumption of accurate data is expected in the near future. See Amended Nasdaq UTP Plan, Section X.A.13.

<sup>23</sup> Material SIP latency means a delay of quotation or last sale price information in one or more securities between the time data is received by the Processor and the time the Processor disseminates the data over the Processor’s vendor lines, which delay the Primary Listing Market determines, in consultation with, and in accordance with, publicly disclosed guidelines established by the Operating Committee, to be (a) material and (b) unlikely to be resolved in the near future. See Amended Nasdaq UTP Plan, Section X.A.5.

<sup>24</sup> See proposed 2622(h)(1)(I).

<sup>25</sup> See proposed Rule 2622(h)(1)(D).

securities only on the market declaring the halt and is not a Regulatory Halt. An Operational Halt is effective only on the Exchange; other markets are not required to halt trading in the impacted securities. In practice, the Exchange has always had the capacity to implement operational halts in specified circumstances.<sup>26</sup> The proposed change would provide greater clarity on when an Operational Halt may be implemented and the process for halting and resuming trading in the event of an Operational Halt. An Operational Halt is not a Regulatory Halt.

### Regulatory Halt

Proposed Rule 2622(h)(2)(A)(i) – (ii) includes two situations in which the Exchange must halt trading pursuant to a Regulatory Halt: under the Limit Up-Limit Down Plan or pursuant to extraordinary market volatility (market-wide circuit breakers). Proposed Rule 2622(h)(2)(A)(i) retains without substantive modification the existing rule with respect to the Limit Up-Limit Down Plan (current Rule 2622(h)(1) – (5)). The Exchange, as a non-Primary Listing Market, does not itself declare trading pauses pursuant to the Limit Up-Limit Down Plan, but rather implements such pauses declared by Primary Listing Markets. The Exchange proposes to make clear in Rule 2622(h)(2)(A)(ii) that a trading halt pursuant to extraordinary market volatility (market-wide circuit breakers), as is described in Rule 2622(a), constitutes a Regulatory Halt.

The Exchange proposes to add proposed Rule 2622(h)(2)(A)(iii), which makes clear that the start time of a Regulatory Halt is the time the Primary Listing Market declares the Regulatory Halt, regardless of whether communications issues impact the dissemination of notice of the Halt.<sup>27</sup> This proposal would provide market participants with certainty on the official start time of the Regulatory Halt. Under the proposed rule, the start time is fixed by the Primary Listing

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<sup>26</sup> See Exchange Rule 2600(b).

<sup>27</sup> This is consistent with the Amended Nasdaq UTP Plan. See Amended Nasdaq UTP Plan, Section X.D.1.

Market; it is not dependent on whether notice is disseminated immediately. This will avoid possible disagreement if the Regulatory Halt time were tied to dissemination or receipt of notification, which may occur at different times. The Exchange recognizes that in situations where communication is interrupted, trades may continue to occur until news of the Regulatory Halt reaches all trading centers. However, a fixed “official” Regulatory Halt time will allow SROs to revisit trades after the fact and determine in a consistent manner whether specific trades should stand.

Current Rule 2622(c), states, in part, that if the primary listing market declares a halt, the Exchange will halt trading in that security. This would be reiterated in proposed Rule 2622(h)(2)(2)(A)(iii). Consistent with Section X.G of the Nasdaq UTP Plan, the proposed Rule will more broadly require the Exchange to halt trading of a UTP security if the Primary Listing Market declares a Regulatory Halt in that security.

#### Resumption of Trading After a Regulatory Halt

The SROs have jointly developed processes to govern the resumption of trading in the event of a Regulatory Halt. While the actual process of re-launching trading will remain unique to each exchange, the proposed rule would harmonize certain common elements of the reopening process that would benefit from consistency across markets. These common elements include the primacy of the Primary Listing Market in resumption decisions, the requirement that the Primary Listing Market make its determination to resume trading in good faith,<sup>28</sup> and certain parts of the complex process of reopening trading after a SIP Halt. With respect to a SIP Halt, common elements of the reopening process include the interaction among SROs (including the Primary Listing Market with the SIP), the requirement that the Primary Listing Market terminate a SIP

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<sup>28</sup> See Partial Amendment No. 1 of Trading Halt Amendments to the UTP Plan, dated March 31, 2021.

Halt with a notification that specifies a SIP Halt Resume Time, the minimum quoting times before resumption of trading, the cutoff time after which trading would not resume during Regular Trading Hours, and the time when trading may resume if the Primary Listing Market does not open a security within the amount of time specified in its rules after the SIP Halt Resume Time.

Proposed Rule 2622(h)(2)(B) provides the process to be followed when resuming trading upon the conclusion of a Regulatory Halt. The new rule, which incorporates Section X.E.1 and X.F.3 of the Amended Nasdaq UTP Plan, is divided into the following two subsections concerning resumption of trading: (A) after a Regulatory Halt other than a SIP Halt; and (B) after a SIP Halt. Proposed Rule 2622(h)(2)(B)(i)(a) provides that, for a Regulatory Halt other than a SIP Halt, the Exchange may resume trading subject to the Regulatory Halt after the Exchange receives notification from the Primary Listing Market that the Regulatory Halt has been terminated. The Exchange does not conduct halt crosses and, therefore, the resumption of trading in these securities will occur once notice from the Primary Listing Market is received.

Proposed Rule 2622(h)(2)(B)(ii)(a) provides that, for securities subject to a SIP Halt initiated by another exchange that is the Primary Listing Market, during Regular Trading Hours, the Exchange may resume trading after trading has resumed on the Primary Listing Market or notice has been received from the Primary Listing Market that trading may resume. During Regular Trading Hours, if the Primary Listing Market does not open a security within the amount of time specified by the rules of the Primary Listing Market after the SIP Halt Resume Time, the Exchange may resume trading in that security.

Proposed Rule 2622(h)(2)(B)(iii) retains without substantive modification existing Rule 2622(h)(6). Proposed Rule 2622(h)(2)(B)(iii) states that the Exchange will the Exchange shall re-open the security pursuant to the procedures set forth in Exchange Rule 2615, which describes

the Exchange's re-opening process and provide, in sum, that the Exchange will re-open trading in following a halt by matching buy and sell orders at the midpoint of the national best bid and offer ("NBBO").

### Operational Halt

The Exchange proposes in Rule 2622(h)(3) to address Operational Halts, which are non-regulatory in nature and apply only to the exchange that calls the halt. The ability to call an Operational Halt has existed for a long time, although in the Exchange's experience, such halts have rarely been initiated. As part of the Exchange's assessment with the other SROs of the halting and resumption of trading, the Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate.<sup>29</sup> In part, the proposed change is designed to cover situations similar to those that might constitute a Regulatory Halt, but where the impact is limited to a single market. For example, just as a market disruption might trigger a Regulatory Halt for Extraordinary Market Activity (as defined in the Amended Nasdaq UTP Plan) if it affects multiple markets, a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers.

Proposed Rule 2622(h)(3) would authorize the Exchange to implement an Operational Halt for any security trading on the Exchange: if it is experiencing Extraordinary Market

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<sup>29</sup> Differences between Nasdaq and the Exchange's proposals as it relates to Operational Halts stem from Nasdaq's status as a Primary Listing Market, unlike the Exchange.

Activity<sup>30</sup> on the Exchange; or when otherwise necessary to maintain a fair and orderly market or in the public interest.

Proposed Rule 2622(h)(3)(B) provides the process for initiating an Operational Halt. Under the proposed rule, the Exchange must notify the SIP if it has concerns about its ability to collect and transmit Quotation Information or Transaction Reports, or if it has declared an Operational Halt or suspension of trading in one or more Eligible Securities, pursuant to the procedures adopted by the Operating Committee.

Proposed Rule 2622(h)(3)(C) will clarify how the Exchange resumes trading after an Operational Halt. Proposed Rule 2622(h)(3)(C)(i) provides that the Exchange would resume trading when it determines that trading may resume in a fair and orderly manner consistent with the Exchange's rules. Proposed Rule 2622(h)(3)(C)(ii) provides that orders entered during the Operational Halt will not be accepted, unless subject to instructions that the order will be directed to another Trading Center. Proposed Rule 2622(h)(3)(C)(iii) provides that trading in a halted security shall resume at the time specified by the Exchange in a notice. Proposed Rule 2622(h)(3)(C)(iii) also specifies that Exchange will notify all other Plan participants and the SIP using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. If the SIP is unable to disseminate notice of an Operational Halt or the Exchange is not open for trading, the Exchange will take reasonable steps to provide notice of an Operational Halt, which shall include both the type and start time of the Operational Halt. Each Plan participant shall continuously monitor communication protocols established by the Operating Committee and the Processor during market hours to disseminate

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<sup>30</sup> “Extraordinary Market Activity” in proposed Rule 2622(h)(1)(B) would have the meaning proposed by the Exchange, which is a modified form of the term from the Amended Nasdaq UTP Plan, as described above.

notice of an Operational Halt, and the failure of a participant to do so shall not prevent the Exchange from initiating an Operational Halt.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>31</sup> Specifically, the proposal is consistent with Section 6(b)(5) of the Act<sup>32</sup> because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest.

As described above, the Exchange and other SROs are seeking to adopt harmonized rules related to halting and resuming trading in U.S.-listed equity securities. The Exchange believes that the proposed rules will provide greater transparency and clarity with respect to the situations in which trading will be halted and the process through which that halt will be implemented and terminated. Particularly, the proposed changes seek to achieve consistent results for participants across U.S. equities exchanges while maintaining a fair and orderly market, protecting investors and protecting the public interest. Based on the foregoing, the Exchange believes that the proposed rules are consistent with Section 6(b)(5) of the Act<sup>33</sup> because they will foster cooperation and coordination with persons engaged in regulating and facilitating transactions in securities.

As discussed previously, the Exchange believes that the various provisions of the proposed rules that will apply to all SROs are focused on the type of cross-market event where a

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<sup>31</sup> 15 U.S.C. 78f(b).

<sup>32</sup> 15 U.S.C. 78f(b)(5).

<sup>33</sup> Id.



consistent approach will assist market participants and reduce confusion during a crisis. Because market participants often trade the same security across multiple venues and trade securities listed on different exchanges as part of a common strategy, the Exchange believes that the proposed rules will lessen the risk that market participants holding a basket of securities will have to deal with divergent outcomes depending on where the securities are listed or traded. Conversely, the proposed rules would still allow individual SROs to react differently to events that impact various securities or markets in different ways. This avoids the “brittle market” risk where an isolated event at a single market forces all markets trading equities securities to halt or halts trading in all securities where the issue impacted only a subset of securities. By addressing both concerns, the Exchange believes that the proposed rules further the Act’s goal of maintaining fair and orderly markets.

The Exchange believes that the proposed rules’ focus of responsibility on the Primary Listing Market for decisions related to a Regulatory Halt and the resumption of trading is consistent with the Act, which itself imposes obligations on exchanges with respect to issuers that are listed. As is currently the case, the Primary Listing Market would be responsible for the many regulatory functions related to its listings, including the determination of when to declare a Regulatory Halt. While these core responsibilities remain with the Primary Listing Market, trading in the security can occur on multiple exchanges that have unlisted trading privileges for the security, such as on the Exchange, or in the over-the-counter market, regulated by FINRA. The Exchange is responsible for monitoring activity on its own markets, but also must honor a Regulatory Halt.

The proposed changes relating to Regulatory Halts would ensure that all SROs handle the situations covered therein in a consistent manner that would prevent conflicting outcomes in cross-market events and ensure that all trading centers recognize a Regulatory Halt declared by

the Primary Listing Market. The changes are consistent with and implement the Amended Nasdaq UTP Plan.

The Exchange believes that the definitions in the proposed rules are also consistent with the Act. The Exchange proposes adding definitions to Rule 2622(h)(1) to consolidate the various definitions that will be used in the Rule, some of which are taken from the Amended Nasdaq UTP Plan. The Exchange is adopting a modified form of the term “Extraordinary Market Activity” from the Amended Nasdaq UTP Plan, as described above. In addition, several other definitions have been moved into the definitions section from elsewhere in the current rule without changes in the definitions. As noted, certain definitions are consistent with the definitions in the Amended Nasdaq UTP Plan, furthering the Act’s goal of promoting fair and orderly markets. For example, the Exchange is proposing to adopt a definition of “SIP Halt,” to explicitly address a situation that may disrupt the markets, and this definition is identical to the definition in the Amended Nasdaq UTP Plan. In addition to “SIP Halt,” the Exchange is adopting the following terms from the Amended Nasdaq UTP Plan: “Operating Committee,” “Operational Halt,” “Primary Listing Market,” “Processor,” “Regulatory Halt,” “Regular Trading Hours,” and “SIP Halt Resume Time,” as discussed above.

The Exchange believes that the proposed rules, which make halts more consistent across exchange rules, are consistent with the Act in that they will foster cooperation and coordination with persons engaged in regulating the equities markets. In particular, the Exchange believes it is important for SROs to coordinate when there is a widespread and significant event, as multiple trading centers are impacted in such an event. Further, while the Exchange recognizes that the proposed rule will not guarantee a consistent result on every market in all situations, the Exchange does believe that it will assist in that outcome. While the proposed rules relating to Regulatory Halts focuses primarily on the kinds of cross-market events that would likely impact

multiple markets, individual SROs will still retain flexibility to deal with unique products or smaller situations confined to a particular market.

Also consistent with the Act, and with the Amended Nasdaq UTP Plan, is the Exchange's proposal in Rule 2622(h)(3) to address Operational Halts, which are non-regulatory in nature and apply only to the exchange that calls the halt. As noted earlier, the Exchange presently has the ability to call an Operational Halt, but does so rarely. The Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. The proposed change is designed to cover situations where the impact is limited to a single market. For example, a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers.

Proposed Rule 2622(h)(3) would authorize the Exchange to implement an Operational Halt for any security trading on the Exchange: (i) if it is experiencing Extraordinary Market Activity on the Exchange; or (ii) when otherwise necessary to maintain a fair and orderly market or in the public interest. Lastly, the proposed relocation of paragraphs (h)(2) – (5) of Exchange Rule 2622 to paragraphs (h)(2)(A)(i)(b) – (e) removes impediments to, and perfects the mechanism of, a free and open market and a national market system because it makes the rule easier to understand, thereby avoiding potential investor confusion.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes the proposal is consistent with Section 6(b)(8) of the Act<sup>34</sup> in that it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act as explained below.

Importantly, the Exchange believes the proposal will not impose a burden on intermarket competition but will rather alleviate any burden on competition because it is the result of a collaborative effort by all SROs to harmonize and improve the process related to the halting and resumption of trading in U.S.-listed equity securities, consistent with the Amended Nasdaq UTP Plan. In this area, the Exchange believes that all SROs should have consistent rules to the extent possible in order to provide additional transparency and certainty to market participants and to avoid inconsistent outcomes that could cause confusion and erode market confidence. The proposed changes would ensure that all SROs handle the situations covered therein in a consistent manner and ensure that all trading centers handle a Regulatory Halt consistently. The Exchange understands that all other non-Primary Listing Markets intend to file proposals that are substantially similar to this proposal.

The Exchange does not believe that its proposals concerning Operational Halts impose an undue burden on competition. Under the existing Rules, the Exchange already possesses discretionary authority to impose Operational Halts for various reasons, including because of an order imbalance or influx that causes another national securities exchange to impose a trading halt in a security. As described earlier, the proposed Rule change clarifies and broadens the circumstances in which the Exchange may impose such Halts, and specifies procedures for both imposing and lifting them. The Exchange does not intend for these proposals to have any competitive impact whatsoever. Indeed, the Exchange expects that other exchanges will adopt

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<sup>34</sup> 15 U.S.C. 78f(b)(8).

similar rules and procedures to govern operational halts, to the extent that they have not done so already.

The Exchange does not believe that the proposed rule change imposes a burden on intramarket competition because the provisions apply to all market participants equally. In addition, information regarding the halting and resumption of trading will be disseminated using several freely accessible sources to ensure broad availability of information in addition to the SIP data and proprietary data feeds offered by the Exchange and other SROs that are available to subscribers. In addition, the declaration and timing of trading halts and the resumption of trading is designed to avoid any advantage to those who can react more quickly than other participants. The proposals encourage early and frequent communication among the SROs, SIPs and market participants to enable the dissemination of timely and accurate information concerning the market to market participants.

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 Act<sup>35</sup> and Rule 19b-4(f)(6)<sup>36</sup> thereunder.

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<sup>35</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>36</sup> 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,

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.

#### 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-2023-11 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-2023-11. 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>).

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or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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-2023-11 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.<sup>37</sup>

Vanessa Countryman  
Secretary

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<sup>37</sup> 17 CFR 200.30-3(a)(12).

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

## MIAX PEARL, LLC Rules

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### Rule 1901. Definitions

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#### User

The term “**User**” shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Exchange Rule 2602.

#### [UTP Exchange Traded Products

The term “**UTP Exchange Traded Products**” refers to derivative securities products that are not listed on the Exchange but that trade on the Exchange pursuant to unlisted trading privileges, including the following: Equity Linked Notes, Investment Company Units, Index-Linked Exchangeable Notes, Equity Gold Shares, Equity Index-Linked Securities, Commodity-Linked Securities, Currency-Linked Securities, Fixed-Income Index-Linked Securities, Futures-Linked Securities, Multifactor-Index-Linked Securities, Trust Certificates, Currency and Index Warrants, Portfolio Depository Receipts, Trust Issued Receipts, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Paired Trust Shares, Trust Units, Managed Fund Shares, and Managed Trust Securities.]

#### UTP Security

The term “**UTP Security**” shall mean an equity security that is listed on a national securities exchange other than on the Exchange and that trades on MIA X Pearl Equities pursuant to unlisted trading privileges.

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### Rule 2622. Limit Up-Limit Down Plan and Trading Halts

(a) - (g) (No change).

#### (h) Limit Up-Limit Down Mechanism.

##### (1) Definitions.

[(A) The term “Plan” or “Limit Up-Limit Down Plan” means the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Exchange Act, as amended from time to time.

(B) All capitalized terms not otherwise defined in this paragraph (e) shall have the



meanings set forth in the Plan or Exchange rules, as applicable.]

(A) A "UTP Exchange Traded Product" means one of the following Exchange Traded Products that trades on the Exchange pursuant to unlisted trading privileges: Equity Linked Notes, Investment Company Units, Index Fund Shares, NextShares, Index-Linked Exchangeable Notes, Equity Gold Shares, Equity Index-Linked Securities, Commodity-Linked Securities, Currency-Linked Securities, Fixed-Income Index-Linked Securities, Futures-Linked Securities, Multifactor-Index-Linked Securities, Trust Certificates, Currency and Index Warrants, Portfolio Depository Receipts, Trust Issued Receipts, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Paired Trust Shares, Trust Units, Managed Fund Shares, and Managed Trust Securities.

(i) The term "Trust Shares" means a security (a) that is based on a unit investment trust ("Trust") which holds the securities which comprise an index or portfolio underlying a series of Trust Shares; (b) that is issued by the Trust in a specified aggregate minimum number in return for a "Portfolio Deposit" consisting of specified numbers of shares of stock plus a cash amount; (c) that, when aggregated in the same specified minimum number, may be redeemed from the Trust which will pay to the redeeming holder the stock and cash then comprising the "Portfolio Deposit"; and (d) that pays holders a periodic cash payment corresponding to the regular cash dividends or distributions declared with respect to the component securities of the stock index or portfolio of securities underlying the Trust Shares, less certain expenses and other charges as set forth in the Trust prospectus.

(ii) The term "Index Fund Shares" means a security (a) that is issued by an open- end management investment company based on a portfolio of stocks that seeks to provide investment results that correspond generally to the price and yield performance of specified foreign or domestic stock index; (b) that is issued by such an open-end management investment company in a specified aggregate minimum number in return for a deposit of specified numbers of shares of stock and/or a cash amount with a value equal to the next determined net asset value; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such open-end investment company which will pay to the redeeming holder the stock and/or cash with a value equal to the next determined net asset value.

(iii) The term "Managed Fund Shares" means a security that (a) represents an interest in a registered investment company ("Investment Company") organized as an open-end management investment company or similar entity, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies; (b) is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value; and (c) when aggregated in the same specified

minimum number, may be redeemed at a holder's request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined net asset value.

(iv) The term "Trust Issued Receipts" means a security (a) that is issued by a trust ("Trust") which holds specified securities deposited with the Trust; (b) that, when aggregated in some specified minimum number, may be surrendered to the Trust by the beneficial owner to receive the securities; and (c) that pays beneficial owners dividends and other distributions on the deposited securities, if any are declared and paid to the trustee by an issuer of the deposited securities.

(B) "Extraordinary Market Activity" means a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, transaction information, or regulatory messages for a sustained period.

(C) "Operating Committee" has the same meaning as in the Nasdaq UTP Plan.

(D) "Operational Halt" has the same meaning as in the Nasdaq UTP Plan.

(E) "Post-Market Session" means the trading session that begins after Regular Trading Hours at approximately 4:00 p.m., and that continues until 5:00 p.m.

(F) "Pre-Market Session" means the trading session that begins at 8:00 a.m. and continues until 9:30 a.m.

(G) "Primary Listing Market" has the same meaning as in the Nasdaq UTP Plan.

(H) "Processor" or "SIP" have the same meaning as the term "Processor" in the Nasdaq UTP Plan or in the Consolidated Tape Association Plan, as is applicable.

(I) "Regulatory Halt" has the same meaning as in Section X.A.10 of the Nasdaq UTP Plan.

(J) "Regular Trading Hours" has the same meaning as in the Nasdaq UTP Plan.

(K) "SIP Halt" has the same meaning as in the Nasdaq UTP Plan.

(L) "SIP Halt Resume Time" has the same meaning as in the Nasdaq UTP Plan.

(M) "SIP Plan" means the national market system plan governing the SIP.

## (2) Regulatory Halts

### (A) Authority to Implement a Regulatory Halt

(i) The Exchange shall implement a Regulatory Halt in the following circumstances, as applicable:

(a) Implementing a Trading Pause Declared by a Primary Listing Market Pursuant to the Limit Up-Limit Down Mechanism.

Definitions for purposes of the Limit Up-Limit Down Mechanism.

1. The term “Plan” or “Limit Up-Limit Down Plan” means the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Exchange Act, as amended from time to time.

2. All capitalized terms not otherwise defined in this Rule shall have the meanings set forth in the LULD Plan or Exchange rules, as applicable.

(b) Exchange Participation in the LULD Plan. The Exchange is a Participant in, and subject to the applicable requirements of, the LULD Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.

(c) Member Compliance. Members shall comply with the applicable provisions of the LULD Plan.

(d) Exchange Compliance with the LULD Plan. Exchange systems shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the LULD Plan.

(e) Repricing and Cancellation of Interest. Depending on a User’s instructions, the System shall re-price and/or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. When re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders. The Exchange will also provide new timestamps to resting orders at the less aggressive price to which such orders are re-priced. Any resting interest that is re-priced pursuant to this Exchange Rule shall maintain priority ahead of interest that was originally less aggressively priced, regardless of the original timestamps for such orders.

1. Market Orders and orders Designated IOC. The System will only execute Market Orders and orders designated IOC at or within the Price Bands.

2. Limit-Priced Interest. Limit-priced interest will be cancelled if a User has entered instructions not to use the re-pricing process under this paragraph (e) and such interest to buy (sell) is priced above (below) the Upper (Lower) Price Band. If re-pricing is permitted based on a User's instructions, both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band. The System shall re-price resting limit-priced interest to buy (sell) to the Upper (Lower) Price Band if Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the Upper (Lower) Price Band. If the Price Bands move again and a User has opted into the Exchange's optional multiple price sliding process, as described in Exchange Rule 2614(g)(1)(C), the System shall reprice such limit-priced interest to the most aggressive permissible price up to the order's limit price. All other displayed and non-displayed limit interest repriced pursuant to this paragraph (e) will remain at its new price unless the Price Bands move such that the price of resting limit-priced interest to buy (sell) would again be above (below) the Upper (Lower) Price Band.

3. Routable Orders. If routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to Exchange Rule 2617(b), provided that the System shall not route buy (sell) interest at a price above (below) the Upper (Lower) Price Band.

4. Sell Short Orders. During a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A), short sale orders not marked short exempt priced below the Lower Price Band shall be repriced to the higher of the Lower Price Band or the Permitted Price, as defined in Exchange Rule 2614(g)(3)(A).

(ii) The Exchange shall implement a trading halt due to extraordinary market volatility, as set forth in paragraph (a) of this Rule.

(iii) Implementing Regulatory Halts Initiated by Other Markets

(a) Start Time

1. The start time of a Regulatory Halt is when the

Primary Listing Market declares the halt, regardless of whether an issue with communications impacts the dissemination of the notice.

2. The Exchange will halt trading for any securities traded on the Exchange when the Primary Listing Market declares a Regulatory Halt for any such securities.

3. The Exchange may halt trading in UTP Exchange Traded Products on the Exchange:

(A) Regular Trading Hours. During the Regular Trading Hours, if a temporary interruption occurs in the calculation or wide dissemination of the applicable IIV or value of the underlying index by a major market data vendor and the listing market halts trading in the UTP Exchange Traded Product, the Exchange, upon notification by the primary listing market of such halt due to such temporary interruption, also shall immediately halt trading in the UTP Exchange Traded Product on the Exchange.

(B) Resumption of Trading After a Regulatory Halt

(i) Resumption of Trading After a Regulatory Halt Other Than a SIP Halt

(a) The Exchange may resume trading after the Exchange receives notification from the Primary Listing Market that the Regulatory Halt has been terminated.

(ii) Resumption of Trading After a SIP Halt

(a) For securities subject to a SIP Halt initiated by another exchange that is the Primary Listing Market, during Regular Trading Hours, the Exchange may resume trading after trading has resumed on the Primary Listing Market or notice has been received from the Primary Listing Market that trading may resume. During Regular Trading Hours, if the Primary Listing Market does not open a security within the amount of time specified by the rules of the Primary Listing Market after the SIP Halt Resume Time, the Exchange may resume trading in that security.

(iii) At the end of a SIP Halt, the Exchange shall re-open the security pursuant to the procedures set forth in Exchange Rule 2615.

### **(3) Operational Halts**

(A) Authority to Initiate an Operational Halt. The Exchange may declare an Operational Halt for any security trading on the Exchange:

(i) if it is experiencing Extraordinary Market Activity on the Exchange; or

(ii) when otherwise necessary to maintain a fair and orderly market or in the public interest.

(B) Initiating an Operational Halt. The Exchange will notify the SIP if it has concerns about its ability to collect and transmit Quotation Information or Transaction Reports (as those terms are defined in the Nasdaq UTP Plan), or if it has declared an Operational Halt or suspension of trading in one or more Eligible Securities (as that term is defined in the Nasdaq UTP Plan), pursuant to the procedures adopted by the Operating Committee.

(C) Resumption of Trading After an Operational Halt

(i) When the Exchange determines that trading may resume on its market in a fair and orderly manner and in accordance with its Rules it shall resume trading following an Operational Halt.

(ii) During any Operational Halt, orders entered will not be accepted, unless subject to instructions that the order will be routed to an away Trading Center as described in Exchange Rule 2617.

(iii) Communications. Trading in a halted security shall resume at the time specified by the Exchange in a notice. The Exchange will notify all other Plan participants and the SIP using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. If the SIP is unable to disseminate notice of an Operational Halt or the Exchange is not open for trading, the Exchange will take reasonable steps to provide notice of an Operational Halt, which shall include both the type and start time of the Operational Halt. Each Plan participant shall continuously monitor communication protocols established by the Operating Committee and the Processor during market hours to disseminate notice of an Operational Halt, and the failure of a participant to do so shall not prevent the Exchange from initiating an Operational Halt in accordance with the procedures specified herein.

[(2) **Exchange Participation in the Plan.** The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.

(3) **Member Compliance.** Equity Members shall comply with the applicable provisions of the Plan.

(4) **Exchange Compliance with the Plan.** The System shall not display or execute buy

(sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan.

(5) **Re-pricing and Cancellation of Interest.** Depending on a User's instructions, the System shall re-price and/or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. When re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders. The Exchange will also provide new timestamps to resting orders at the less aggressive price to which such orders are re-priced. Any resting interest that is re-priced pursuant to this Exchange Rule shall maintain priority ahead of interest that was originally less aggressively priced, regardless of the original timestamps for such orders.

(A) **Market Orders and orders Designated IOC.** The System will only execute Market Orders and orders designated IOC at or within the Price Bands.

(B) **Limit-Priced Interest.** Limit-priced interest will be cancelled if a User has entered instructions not to use the re-pricing process under this paragraph (e) and such interest to buy (sell) is priced above (below) the Upper (Lower) Price Band. If re-pricing is permitted based on a User's instructions, both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band. The System shall re-price resting limit-priced interest to buy (sell) to the Upper (Lower) Price Band if Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the Upper (Lower) Price Band. If the Price Bands move again and a User has opted into the Exchange's optional multiple price sliding process, as described in Exchange Rule 2614(g)(1)(C), the System shall reprice such limit-priced interest to the most aggressive permissible price up to the order's limit price. All other displayed and non-displayed limit interest repriced pursuant to this paragraph (e) will remain at its new price unless the Price Bands move such that the price of resting limit-priced interest to buy (sell) would again be above (below) the Upper (Lower) Price Band.

(C) **Routable Orders.** If routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to Exchange Rule 2617(b), provided that the System shall not route buy (sell) interest at a price above (below) the Upper (Lower) Price Band.

(D) **Sell Short Orders.** During a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A), short sale orders not marked short exempt priced below the Lower Price Band shall be repriced to the higher of the Lower Price Band or the Permitted Price, as defined in Exchange Rule 2614(g)(3)(A).

(6) **Re-opening of Trading following a Trading Pause.** At the end of the Trading Pause, the Exchange shall re-open the security pursuant to the procedures set forth in Exchange Rule 2615.]

(i) On the occurrence of any trading halt pursuant to this Exchange Rule, except where a User has designated that its orders be cancelled, all outstanding orders in the System will remain on the MIAX Pearl Equities Book.

(j) All times referenced in this Exchange Rule 2622 shall be Eastern Time.

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