

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-98908; File No. SR-PEARL-2023-62)

November 13, 2023

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Provide an Additional Means to Access the Exchange's Equity Trading Platform Member Firm Portal

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 2, 2023, MIAX PEARL, LLC ("MIAX Pearl" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to provide an additional means to access the Exchange's equity trading platform (referred to herein as "MIAX Pearl Equities") Member Firm Portal.³

The text of the proposed rule change is available on the Exchange's website at <https://www.miaxglobal.com/markets/us-options/pearl-options/rule-filings>, at MIAX Pearl's principal office, and at the Commission's Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See MIAX Exchanges Member Firm Portal User Manual, available at https://www.miaxglobal.com/sites/default/files/page-files/MIAX_Exchanges_Member_Firm_Portal_User_Manual_07142023.pdf.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange provides Equity Members⁴ access to an internet-facing portal which provides self-service functions to Equity Members, known as the Member Firm Portal (“MFP”). Specifically, the MFP allows Equity Members to view current connectivity and services, manage various order entry settings,⁵ view all orders and cancel individual open orders, and view current and request changes for current session notifications, session configurations, and Market Participant Identifier (“MPID”) configurations. The MFP also provides Equity Members the ability to adjust risk settings and allows Equity Market Makers⁶ to view and manage their securities assignments. The MFP allows Equity Members to more efficiently manage their back office operations at the Equity Member level. Currently, access to the MFP is provided on a per user basis, whereby Equity Members seek to have individuals within their

⁴ The term “Equity Member” is a Member authorized by the Exchange to transact business on MIAX Pearl Equities. See Exchange Rule 1901.

⁵ This includes whether an order should be attributed by its MPID or as Retail on the Exchange’s proprietary data feeds or when routed pursuant to the PAC routing option, adjusting port level settings, adjusting risk controls, and retrieving assignment history for a given symbol assignments. See, e.g., Exchange Rules 2614(c)(5), 2617(a)(5)(ii)(A)(3), 2618(a), and 2622(f).

⁶ The term “Equities Market Maker” shall mean an Equity Member that acts as a Market Maker in equity securities, pursuant to Chapter XXVI. See Exchange Rule 1901.

organization permissioned to access the MFP via a web portal on their behalf (known as the “MFP User Interface” or “MFP UI”). The Exchange provides the MFP UI to Equity Members free of charge.⁷

Equity Members have requested that the Exchange also provide access to the MFP via an Application Programming Interface (“API” and together “MFP API”), in addition to the current MFP UI accessed via the web portal. The Exchange currently provides MFP API to Members⁸ on its options platform,⁹ as do its affiliates, Miami International Holdings, LLC (“MIAX”) and MIAX Emerald, LLC (“MIAX Emerald”).¹⁰

In sum, an API is a way for two or more computer programs to talk to each other. It is a software to software interface that defines the data and the transactions that can be communicated between systems. In providing the MFP API, functions that would otherwise be done manually via the MFP UI, can be automated. The MFP API, in essence, facilitates and expedites the transaction processing for the supported functionality such that Equity Members can automate their interactions with the MFP. This allows for more efficient processing, the potential reduction of operational risk due to issues caused by human error, the timeliness of the completion of MFP-related functions, etc.¹¹ Providing API access to the MFP would allow

⁷ The Exchange does not currently intend to charge fees for API access to the MFP and will submit a separate filing with the Commission pursuant to Section 19(b)(1) should it decide to do so in the future.

⁸ The term “Member” means an individual or organization that is registered with the Exchange pursuant to Chapter II of these Rules for purposes of trading on the Exchange as an “Electronic Exchange Member” or “Market Maker.” Members are deemed “members” under the Act. See Exchange Rule 100.

⁹ See Securities Exchange Act Release No. 98016 (July 28, 2023), 88 FR 51364 (August 3, 2023) (SR-PEARL-2023-32) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Provide an Additional Means of Access to the Member Firm Portal Through an Application Programming Interface).

¹⁰ See Securities Exchange Act Release Nos. 98017 (July 28, 2023), 88 FR 51366 (August 3, 2023) (SR-MIAX-2023-29); and 98018 (July 28, 2023), 88 FR 51374 (August 3, 2023) (SR-EMERALD-2023-18) (Notices of Filing and Immediate Effectiveness of a Proposed Rule Change To Provide an Additional Means of Access to the Member Firm Portal Through an Application Programming Interface).

¹¹ See, e.g., What is an API?, available at <https://www.ibm.com/topics/api> (last visited October 9, 2023).

Equity Members to enable their systems and applications to communicate directly with the MFP, thereby eliminating or reducing the need for individuals to access the MFP UI via the web portal.

The Exchange does not propose to alter the current MFP or MFP UI. The Exchange simply proposes to provide an additional and optional means to access the MFP, in the form of an API. API access to the MFP would allow an Equity Member's applications to communicate directly with the MFP. Therefore, by its nature, the MFP API does not lend itself to access on a per user basis, as is the case today with the MFP UI via the web portal. API access would allow Equity Members to automate functions they perform today on the MFP, such as adjusting risk settings or managing various order entry settings. Equity Members who do not prefer to access the MFP API would be able to perform the same functions when accessing the MFP UI via the current web portal. However, due to associated technological changes needed to provide API access, the Exchange does not plan to offer all MFP functionality that is currently available via the MFP UI on day one and intends to rollout the functionality over a period of time.

The Exchange notes that the use of accessing the MFP API would be completely voluntary and would simply be a second optional means to access the MFP. Equity Members who wish to continue to access the MFP UI via the web portal may continue to do so for no fee.

Implementation Date and Rollout

Due to the technological changes associated with this proposed change, the Exchange will issue a trading alert publicly announcing the implementation date of the proposed rule change and will announce in that trading alert which MFP functions will be available via the API. The Exchange anticipates that it will begin to offer API access to the MFP in first quarter of 2024. The Exchange will issue a trading alert each time it makes additional MFP functions available via the API.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the requirements of Section 6(b) of the Act,¹² in general, and Section 6(b)(5),¹³ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

The Exchange notes that providing the MFP API to Equity Members is consistent with the Act in that the use of MFP API is completely voluntary and simply provides Equity Members with an additional means to access the Exchange's MFP. The MFP is a useful tool for Equity Members to manage their trading on the Exchange, including back office operations, risk controls settings, and Equity Market Maker assignments. The Exchange also notes that it currently provides MFP API to Members on its options platform,¹⁴ as do its affiliates, MIAX and MIAX Emerald.¹⁵ The Exchange simply seeks to do the same for MIAX Pearl Equities in this filing.

As noted above, accessing the MFP via an API would be an optional alternative to web access. Those not electing to access the MFP via an API may continue to use the MFP UI via the web portal free of charge. The MFP, whether accessed via an API or web portal, allow Equity Members to more efficiently manage their back office operations, view all orders and cancel

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ See supra note 9.

¹⁵ See supra note 10.

individual open orders, and view current and request changes for current session notifications, session configurations, MPID configurations, and in managing Equity Market Maker assignments. The Exchange notes that trade information in the MFP is specific to each Equity Member and their trades, allowing them to conveniently manage their back office operations as needed.

Providing API access to the MFP would be provided purely for convenience, in response to Equity Member demand, and would be entirely optional. As stated above, API access to the MFP would enable Equity Members to connect their applications to the MFP allowing their application to communicate directly with the MFP. This enables Equity Members to automate functions that would normally be performed by individual users access the MFP via the current web portal, such as adjusting risk settings and managing various order entry settings. Equity Members who do not prefer to access the MFP API would be able to perform the same functions by accessing the MFP UI via the existing web portal.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. API access to the MFP would simply be an optional additional means to access the MFP. The Exchange does not believe that the proposal would impose any inappropriate burden on intramarket competition because Equity Members who access the MFP via an API would not receive any competitive advantage over those who access it via the current web portal because any functionality available to Equity Members who access the MFP via an API would be available to those who access MFP UI via the current web portal. API access would simply be a convenience and would enable Equity Members to automate their back office operations

performed via the MFP as they choose. The Exchange does not believe an Equity Member's ability to automate this functionality provides any competitive advantage when trading on the Exchange because the MFP is only used by Equity Members for back office operations and not order entry or execution.

The Exchange believes that the proposed rule change would not impose any inappropriate burden on intermarket competition as other exchanges currently offer similar API access to their comparable member portals.¹⁶ The proposal would enhance the Exchange's competitive position vis-a-vis other exchanges by allowing it to upgrade the means of access to its MFP, which would provide added convenience to Equity Members that wish to utilize the MFP via an API. Further, the proposed rule change would enable the Exchange to improve its customer service and enhance Equity Members' experience when managing their back office and other operations performed via the MFP.

As such, the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intramarket competition not necessary or appropriate in furtherance of the purposes of the Act.

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

¹⁶ See, e.g., Cboe US Secure Web API manual, available at https://cdn.cboe.com/resources/membership/US_Secure_Web_API.pdf.

Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act¹⁷ and Rule 19b-4(f)(6)¹⁸ thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-PEARL-2023-62 on the subject line.

Paper Comments:

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

¹⁷ 15 U.S.C. 78s(b)(3)(A).

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

All submissions should refer to file number SR-PEARL-2023-62. This file number should be included on the subject line if email 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 website (<https://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or

withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-PEARL-2023-62 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Sherry R. Haywood,

Assistant Secretary.

¹⁹ 17 CFR 200.30-3(a)(12).