

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103025; File No. SR-PEARL-2025-20]

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the MIAX Pearl Equities Fee Schedule to Adopt Fees for the U.S. Equity Short Volume & Trade Report

May 12, 2025.

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 30, 2025, 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 amend the fee schedule (the “Fee Schedule”) applicable to the Exchange’s equities trading platform (“MIAX Pearl Equities”³) to adopt monthly fees assessed to users that elect to subscribe to the U.S. Equity Short Volume & Trades Report.

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 All references to the “Exchange” in this filing refer to MIAX Pearl Options. Any references to the equities trading facility of MIAX PEARL, LLC will specifically be referred to as “MIAX Pearl Equities.”

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

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

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

1. Purpose

The Exchange proposes to amend the Fee Schedule to adopt monthly fees assessed to users that elect to subscribe to the U.S. Equity Short Volume & Trades Report.

The Exchange recently adopted a new data product known as the U.S. Equity Short Volume & Trades Report (the “Report”).⁴ The Report, which will be available for subscription beginning May 1, 2025, includes (i) an end-of-day report that provides certain equity trading activity on the Exchange, including trade date, total trade volume, sell short trade volume, and sell short exempt trade volume, by symbol; and (ii) an end-of-month report that provides a record of all short sale transactions for the month, including trade date and time (in nanoseconds), trade size, trade price, and type of short sale execution, by symbol and exchange.⁵ In addition to a monthly or annual subscription, Equity Members⁶ and non-Members may purchase the Report

⁴ See Exchange Rule 2625(b)(1)(i); see also Securities and Exchange Act No. 102918 (April 23, 2025), 90 FR 17860 (April 29, 2025) (SR-PEARL-2025-17) (Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 2625 To Introduce a New Data Product Known as the U.S. Equity Short Volume & Trades Report).

⁵ See Exchange Rule 2625(b)(1)(i).

⁶ The term “Equity Member” is a Member authorized by the Exchange to transact business on MIAX Pearl Equities. See Exchange Rule 1901.

on a historical monthly basis, which provides the end-of-day reports for each day and the corresponding end-of-month report for a given calendar month.

The Exchange proposes to amend the heading of Section 4) of the Fee Schedule to now be “Reports”. The Exchange proposes to adopt subsection 4)a) to establish fees for the Report. Specifically, the Exchange proposes to adopt fees applicable to users that subscribe to the Report. As proposed, the Exchange would assess a monthly fee of \$650 per month to an Internal Distributor⁷ of the Report, and a fee of \$900 per month to an External Distributor⁸ of the Report. External Distributors, unlike Internal Distributors, are typically compensated for the distribution of short sale data through subscription fees or other mechanisms. Some External Distributors incorporate short sale data into their own proprietary products, which they sell to downstream users. These distributors may not charge separately for data included in the Report, but nevertheless gain value from the data by incorporating it into their product. The higher price for External Distributors reflects the additional value these distributors gain from the product. The Exchange also proposes to add a footnote “a” to provide that the Report is available for purchase on a monthly basis or on an annual basis and a subscriber to the Report will receive access to the end-of-day report beginning on the date of subscription and will receive the end-of-month report for the subscription month on the last business day of the month during which the user subscribed. In addition, the Exchange proposes to add a footnote “b” to specify that new monthly and annual subscribers will be charged for the full calendar month for which they

⁷ The term “Distributor” is any entity that receives the Exchange data product directly from the Exchange or indirectly through another entity and then distributes it internally or externally to a third party. The term “Internal Distributor” is a Distributor that receives the Exchange data product and then distributes that data to one or more Users within the Distributor’s own entity. See Fee Schedule, Section 3) Market Data Fees, Market Data Definitions.

⁸ The term “External Distributor” is a Distributor that receives the Exchange data product and then distributes that data to a third party or one or more Users outside the Distributor’s own entity. See Fee Schedule, Section 3) Market Data Fees, Market Data Definitions.

subscribe and will be provided end-of-day report data for each trading day of the calendar month prior to the day on which they subscribed. The purpose of the proposed changes is to establish fees for the Report and provide clarity to Equity Members and non-Members as to when subscribers will receive the end-of-day report and end-of-month report respectively and what reports the subscribers will receive when they subscribe the Reports in the middle of a calendar month.

In addition, the Exchange proposes to adopt fees for the Report provided on a historical basis. The Report will be available for each calendar month dating back to September 2020, and users of such data will be assessed a fee of \$450 per historical monthly Report for which they subscribe. The Exchange proposes to add a footnote “c” to provide that the Report provided on a historical basis is only for display use redistribution; users who subscribe on an annual basis will receive 12 months of historical data included at no extra charge; in addition, users who subscribe on a monthly basis would have the option of purchasing historical data on a per month basis. Data provided via the historical Report is only for display use redistribution (e.g., the data may be provided on the User’s platform). Therefore, users of the historical data may not charge separately for data included in the Report or incorporate such data into their product. Nonetheless, the Exchange believes it is reasonable, equitable and not unfairly discriminatory to charge a fee for display use redistribution that reflects the value these distributors gain from the historical product.

The Exchange anticipates that a wide variety of market participants will purchase the Report, including, but not limited to, active equity trading firms and academic institutions. For example, the Exchange notes that academic institutions may utilize the Report data and as a result promote research and studies of the equities industry to the benefit of all market

participants. The Exchange further believes the Report may provide helpful trading information regarding investor sentiment that may allow market participants to make more informed trading decisions and may be used to create and test trading models and analytical strategies and provide comprehensive insight into trading on the Exchange.

The Exchange further notes that the Report is a completely voluntary product, in that the Exchange is not required by any rule or regulation to make the reports or services available and that potential subscribers may purchase it only if they voluntarily choose to do so. Further, the Exchange notes that other exchanges offer similar products for a higher or comparable fee, including for monthly, annual and historical subscribers.⁹

Additionally, the Exchange proposes to make conforming changes to the hierarchical headings in the Fee Schedule. Specifically, current Sections 4) – 6) will be renumbered as Sections 5) -7). The purpose of the proposed changes is to provide consistency and clarity in the Fee Schedule regarding available market data products and reports.

Implementation

The proposed fee changes will be effective beginning May 1, 2025.

⁹ See Cboe BZX Exchange, Inc. (“BZX Equities”) U.S. Equity Short Volume & Trades Report, available at https://www.cboe.com/us/equities/membership/fee_schedule/bzx/?_gl=1*1pl6apd*_up*MQ..*_ga*MTY1NTIwODQyLjE3NDQ2NTAwNjk.*_ga_5Q99WB9X71*MTc0NDY1MDA2Ny4xLjEuMTc0NDY1MDA3NC4wLjAuMA (last visited April 23, 2025); see also Cboe BYX Exchange, Inc. (“BYX Equities”) U.S. Equity Short Volume & Trades Report, available at https://www.cboe.com/us/equities/membership/fee_schedule/byx/?_gl=1*1056iz*_up*MQ..*_ga*MTY1NTIwODQyLjE3NDQ2NTAwNjk.*_ga_5Q99WB9X71*MTc0NDY1MDA2Ny4xLjEuMTc0NDY1MDAwMS4wLjAuMA (last visited April 23, 2025); see also Cboe EDGA Exchange, Inc. (“EDGA Equities”) U.S. Equity Short Volume & Trades Report, available at https://www.cboe.com/us/equities/membership/fee_schedule/edga/?_gl=1*g9lsej*_up*MQ..*_ga*MTY1NTIwODQyLjE3NDQ2NTAwNjk.*_ga_5Q99WB9X71*MTc0NDY1MDA2Ny4xLjEuMTc0NDY1MDI4OC4wLjAuMA (last visited April 23, 2025); see also Cboe EDGX Exchange, Inc. (“EDGX Equities”) U.S. Equity Short Volume & Trades Report, available at https://www.cboe.com/us/equities/membership/fee_schedule/edgx/?_gl=1*8aj13d*_up*MQ..*_ga*MTY1NTIwODQyLjE3NDQ2NTAwNjk.*_ga_5Q99WB9X71*MTc0NDY1MDA2Ny4xLjEuMTc0NDY1MDQyMi4wLjAuMA (last visited April 23, 2025).

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹⁰ Specifically, the Exchange believes that its proposal furthers the objectives of Section 6(b)(4) of the Act¹¹ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility. Additionally, the Exchange believes the proposed rule change furthers the objectives of Section 6(b)(5) of the Act,¹² in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, 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 protect investors and the public interest, and is not designed to permit unfair discrimination among customers, brokers, or dealers.

In adopting Regulation NMS, the Commission granted self-regulatory organizations (“SROs”) and broker-dealers increased authority and flexibility to offer new and unique market data to the public. It was believed that this authority would expand the amount of data available to consumers, and also spur innovation and competition for the provision of market data. The Exchange believes that the Report further broadens the availability of U.S. equity market data to investors consistent with the principles of Regulation NMS. The Report also promotes increased transparency through the dissemination of short volume data. The Report benefits investors by providing access to the Report, which may promote better informed trading, as well as research and studies of the equities industry.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(4).

¹² 15 U.S.C. 78f(b)(5).

The Exchange operates in a highly competitive environment. Indeed, there are currently 16 registered equities exchanges that trade equities. Based on publicly available information, no single equities exchange has more than approximately 15% of the equity market share.¹³ The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Particularly, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹⁴ Making similar data products available to market participants fosters competition in the marketplace, and constrains the ability of exchanges to charge supercompetitive fees. In the event that a market participant views one exchange’s data product as more attractive than the competition, that market participant can, and often does, switch between similar products. The proposed fees are a result of the competitive environment of the U.S. equities industry as the Exchange seeks to adopt fees to attract purchasers of the recently introduced Report.

The Exchange believes that the proposed fees for the Report are consistent with the Act in that they are reasonable, equitable, and not unfairly discriminatory. In particular, the Exchange believes that the proposed fees are reasonable because they are reasonably aligned with the value and benefits provided to users that choose to subscribe to the Report on the Exchange. As discussed above, the Report may be beneficial to Equity Members and non-

¹³ See the “Market Share” section of the Exchange’s website, available at <https://www.miaxglobal.com/company/data/market-share> (last visited April 23, 2025).

¹⁴ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

Members as it may provide helpful trading information regarding investor sentiment that may allow market participants to make more informed trading decisions and may be used to create and test trading models and analytical strategies and provide comprehensive insight into trading on the Exchange. Therefore, the Exchange believes that it is reasonable to assess modest fees to users that subscribe to the Report.

The Exchange further believes the proposed fees are reasonable because the proposed amounts are lower than or comparable to the analogous fees charged by other exchanges for similar data products. For example, BZX Equities and its affiliated equity markets (the “Cboe Group”) charge \$750 per month to Internal Distributors and \$1,250 per month to External Distributors of the U.S. Equity Short Volume & Trades Report, and a back history fee of \$500 per data content month.¹⁵ The Nasdaq Stock Market LLC (“Nasdaq”) charges \$783 per month to Internal Distributors and \$1,300 per month to External Distributors of the Nasdaq Short Sale Volume Reports provided on both a daily and historical monthly basis.¹⁶ Additionally, the New York Stock Exchange LLC (“NYSE”) and its affiliated equity markets (the “NYSE Group”) also charge for the TAQ NYSE Group Short Sales (Monthly File) and TAQ NYSE Group Short Volume (Daily File). Specifically, NYSE Group charges an access fee of \$1,000 per month for an ongoing subscription that includes 12 months of back history, then additional back history charged at \$500 per data content month. NYSE Group also charges a back history fee, of \$1,000 per data content month for the first 12 months of history, then additional back history charged at \$500 per data content month.¹⁷ The Exchange therefore believes that the proposed fees are

¹⁵ See supra note 9.

¹⁶ See Nasdaq Short Sale Volume Reports, available at <https://data.nasdaq.com/price-list?category=U.S.+Equities&subcategory=Nasdaq+Short+Sale+Volume+Reports> (last visited April 23, 2025).

¹⁷ See “NYSE Group Summary Data Products” portion of the NYSE Historical Proprietary Market Data Pricing, available at

reasonable and set at a level to compete with other equity exchanges that offer similar reports. Indeed, proposing fees that are excessively higher than established fees for similar data products would simply serve to reduce demand for the Exchange's data product, which as noted, is entirely optional. Although each of these similar data products provide only proprietary trade data and not trade data from other exchanges, it is possible investors are still able to gauge overall investor sentiment across different equities based on the included data points on any one exchange. As such, if a market participant views another exchange's potential report as more attractive, then such market participant can merely choose not to purchase the Exchange's Report and instead purchase another exchange's similar data product, which offers similar data points, albeit based on that other market's trading activity.

In addition, the Exchange believes that the proposed fees are equitable and not unfairly discriminatory because they will apply equally to all Equity Members and non-Members that choose to subscribe to the Report. As stated, the Report is completely optional and not necessary for trading. Rather, the Exchange voluntarily makes the Report available, and users may choose to subscribe to (and pay for) the report based on their own individual business needs. Potential subscribers may subscribe to the Report at any time if they believe it to be valuable or may decline to purchase it.

The Exchange also believes it is reasonable, equitable and not unfairly discriminatory to charge an External Distributor of the Report a higher fee than an Internal Distributor as an External Distributor will ordinarily charge a fee to its downstream customers for this service, and, even if the vendor is not charging a specific fee for this particular service, the Exchange

https://www.nyse.com/publicdocs/nyse/data/NYSE_Historical_Market_Data_Pricing.pdf (last visited April 23, 2025).

expects products from the Report to be part of a suite of offerings from distributors that generally promote sales. External distribution is also fundamentally different than internal use, in that the former generates revenue from external sales while the latter does not. Therefore, the Exchange believes it is reasonable, equitable and not unfairly discriminatory to charge a higher fee for a product that generates downstream revenue. Further, the proposed fee will apply equally to Internal and External Distributors, respectively, that choose to distribute data from the Report. Moreover, as described above, other exchanges similarly charge External Distributors higher fees as compared to Internal Distributors for similar data products.¹⁸

The Exchange believes that the proposed changes to the headings in the Fee Schedule will promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system because the proposed rule changes will provide greater clarity to Equity Members and the public regarding available market data products and reports offered by the Exchange.

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

The Exchange does not believe that the proposed changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition

The Exchange believes its proposal will not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the Report will be available equally to all Equity Members and non-Members that choose to subscribe to the report. As stated, the Report is optional and Equity Members and non-Members

¹⁸ See supra notes 9 and 16.

may choose to subscribe to such report, or not, based on their view of the additional benefits and added value provided by utilizing the Report.

Intermarket Competition

The Exchange believes its proposal will not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. As previously discussed, similar products offered by Nasdaq, the Cboe Group, and the NYSE Group are priced higher than or comparable to the Report. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.” The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition v. Securities and Exchange Commission*, the D.C. Circuit stated as follows: “[n]o one disputes that competition for order flow is ‘fierce.’ ... As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’....”. Accordingly, the Exchange does not believe its proposal imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange does not believe that the proposed changes to the headings in the Fee Schedule will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes the proposed changes will not impose any burden on intra-market because the rules of the Exchange apply to all Equity Members equally. The proposed rule changes to the headings in the Fee Schedule will have no impact on inter-market competition as they are not designed to address any competitive issue but rather are designed to provide added clarity to the Fee Schedule.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act,¹⁹ and Rule 19b-4(f)(2)²⁰ 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:

¹⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁰ 17 CFR 240.19b-4(f)(2).

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-2025-20 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.

All submissions should refer to file number SR-PEARL-2025-20. 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-2025-20 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.²¹

Sherry R. Haywood,
Assistant Secretary.

²¹ 17 CFR 200.30-3(a)(12).