

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105869; File No. SR-PEARL-2026-31]

### Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Quarterly Review of Priority Customer Orders

July 9, 2026.

Pursuant to 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 26, 2026, MIAX PEARL, LLC (“MIAX Pearl” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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 quarterly review of Priority Customer Orders.

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> and at the Exchange’s principal office.

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

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

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

in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend the quarterly review of Priority Customer Orders.<sup>3</sup> Under Exchange Rule 100, Members<sup>4</sup> are required to properly represent orders entered on the Exchange. Today, a person or entity shall mark orders as Priority Customer Orders if this person or entity (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s).<sup>5</sup> Orders for any account that is not a broker or dealer and had an average of more than 390 orders per day during any month of a calendar quarter must represent that such orders are for the account of a non-Priority Customer.<sup>6</sup> In order to properly represent orders entered on the

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<sup>3</sup> The term “Priority Customer Order” means an order for the account of a Priority Customer. See Exchange Rule 100.

<sup>4</sup> The term “Member” means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

<sup>5</sup> The term “Priority Customer” means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). The number of orders shall be counted in accordance with Interpretation and Policy .01 thereto. See Exchange Rule 100.

<sup>6</sup> The requirement to review Priority Customers’ activity on at least a quarterly basis to determine whether orders that are not for the account of a broker-dealer should be represented as Priority Customer is not in the current rule text, however it was an industry requirement and was described in the adopting proposals filed by the other options exchanges. See, e.g., Securities Exchange Act Release Nos. 77853 (May 19, 2016), 81 FR 33301 (May 25, 2016) (SR-MIAX-2016-11) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Exchange Rule 100 Concerning Professional Customers); 78788 (September 8, 2016), 81 FR 63252 (September 14, 2016) (SR-ISE-2016-19) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Add Specificity to the Definition of a Professional in the Exchange's Rules); 77054 (February 4, 2016), 81 FR 7166 (February 10, 2016) (SR- Phlx-2016-10) (Notice of Filing of Proposed Rule Change Relating to Professional Customer Definition). The instant proposal seeks to codify the timing for review of customers’ activities. The Exchange notes that the term “non-Priority Customer” is not defined in the Exchange Rulebook. The Exchange notes that a non-Priority Customer (i.e., a customer that places more than 390 orders in listed options per day on average during a calendar month and is not a broker-dealer) can be classified as a Public Customer. The term “Public Customer” means a person that is not a broker or dealer in securities. See Exchange Rule 100.

Exchange, Members are required to conduct a quarterly review and make any appropriate changes to the way in which they are representing orders within five days after the end of each calendar quarter.<sup>7</sup> While Members are required to designate accounts on a quarterly basis, if during a quarter the Exchange identifies a customer for which orders are being represented as Priority Customer Orders but that has averaged more than 390 orders per day during a month, the Exchange must notify the Member and the Member is required to change the manner in which it is representing the customer's orders within five days.<sup>8</sup>

### Proposal

At this time, the Exchange proposes to shorten the quarterly review and designation to a monthly review. The Exchange proposes to add new Interpretation and Policy .02 under the current definition for "Priority Customer" in Exchange Rule 100 to provide that orders for the account of a person or entity that is not a broker or dealer and had an average of more than 390 orders per day during any calendar month must represent that such orders are for the account of a non-Priority Customer for the next calendar month. Further, proposed Interpretation and Policy .02 will provide that Members will be required to conduct a monthly review and make any appropriate changes to the way in which they are representing orders within five days after the end of each calendar month.

As noted, currently, Members are required to monitor their customer activity to determine if the customer has averaged more than 390 orders per day during a month. Determining whether a customer has executed more than 390 orders per day during a month requires computing a daily average. As such, Members should be performing the workflow necessary to designate orders on a daily basis. Therefore, the proposal does not amend the current workflow, rather, the

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<sup>7</sup> See id.

<sup>8</sup> See id.

proposal amends the timeframe to change the manner in which the customer's order is being represented from five days after the end of each calendar quarter to five days after the end of each calendar month.

The Exchange does not believe that this amendment is a significant departure from the current rule, nor does it impose any burden on any Member because each broker-dealer is required currently to perform the necessary calculation daily to arrive at the requisite average. Further, in addition to the calculation, broker-dealers are subject to know-your-customer and suitability requirements under FINRA Rules 2090 (Know Your Customer) and 2111 (Suitability) and would need to consider whether a customer meets the professional designation for purposes of determining best execution and making appropriate recommendations. The Exchange notes that the trading behavior of a Priority Customer can be distinguished from that of a professional (i.e., non-Priority Customer) trader which is the purpose of the separate designations. Finally, some Members currently monitor their customer activity and make any appropriate changes to the way in which they are representing orders on a more expedited basis, not waiting until five days after the quarter.

The Exchange believes that a calendar month is a sufficient time period to determine whether the activity of a customer meets the criteria for their orders to be classified as Priority Customer Orders. The Exchange believes that the shortened time period will ensure that the spirit of the designation of accounts is met in that Members will make any appropriate changes to the way in which they are representing orders in a 30-day timeframe as opposed to a 90-day timeframe, thereby ensuring the designation is applied in a more expeditious manner.

The Exchange continues to believe that identifying which type of account the orders are placed for based upon the average number of orders entered in qualified accounts is an appropriate and objective approach to reasonably distinguish such persons and entities from

retail investors or market participants. The Exchange notes that other options exchanges proposed similar changes as described herein.<sup>9</sup>

### Implementation

The Exchange proposes implementing this rule change on July 1, 2026. The Exchange will issue a Regulatory Circular to provide notice to Members of the effective date of the proposed change.

### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>10</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>11</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange's proposal to shorten the quarterly look-back to a monthly look-back is consistent with the Act because it will ensure that the spirit of the designation of accounts continues to be met, only on a more expedited basis — removing a potential delay of two months before affecting a change in the designation. The Exchange believes that this amendment will

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<sup>9</sup> See, e.g., Securities Exchange Act Release No. 105218 (April, 13, 2026), 91 FR 20542 (April 16, 2026) (SR-ISE-2026-16). The Exchange notes that Exchange Rules do not have a definition for Professional Orders, which differs from Nasdaq ISE, LLC ("ISE") Rules, but the Exchange's proposal is still substantively similar to the proposal filed by ISE, because the Exchange and ISE have the substantively similar definition for Priority Customer, and the Exchange's proposal, similar to the proposal filed by ISE, requires Members to conduct a monthly review and make any appropriate changes to the way in which they are representing orders within five days after the end of each calendar month. Even though the Exchange Rulebook does not define Professional Orders, any accounts that place more than 390 orders per day on average during any calendar month will not be treated the same as Priority Customers, which is substantively similar to ISE. See Exchange Rule 100; see also ISE Rules, Options 1, Section 1, subparagraphs (a)(38) and (40), available at <https://listingcenter.nasdaq.com/rulebook/ise/rules/ISE%20Options%201> (last visited June 4, 2026).

<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

remove impediments to and perfect the mechanism of a free and open market and a national market system by promoting the consistent application of its rules and shortening the timeframe to change the designation for all Members while continuing to provide a sufficient time period to determine whether the activity of a customer meets the criteria for their orders to be classified as Priority Customer Orders. Further, the Exchange believes that the shortened time period will continue to promote consistency in the treatment of orders while also preventing Members with high volume from receiving benefits reserved for Priority Customer Orders.

As noted, currently, Members are required to monitor their customer activity to determine if the customer has averaged more than 390 orders per day during a month. Determining whether a customer has executed more than 390 orders per day during a month requires computing a daily average. As such, Members should be performing the workflow necessary to designate orders on a daily basis. Therefore, the proposal does not amend the current workflow, rather, the proposal amends the timeframe to change the manner in which the customer's order is being represented from five days after the end of each calendar quarter to five days after the end of each calendar month.

The Exchange does not believe that this amendment is a significant departure from the current rule, nor does it impose any burden on any Member because each broker-dealer is required currently to perform the necessary calculation daily to arrive at the requisite average. Further, in addition to the calculation, broker-dealers are subject to know-your-customer and suitability requirements under FINRA Rules 2090 (Know Your Customer) and 2111 (Suitability) and would need to consider whether a customer meets the professional designation for purposes of determining best execution and making appropriate recommendations. Finally, some Members currently monitor their customer activity and make any appropriate changes to the way in which they are representing orders on a more expedited basis, not waiting until five days after the

quarter. The Exchange notes that the trading behavior of a Priority Customer can be distinguished from that of a professional trader which is the purpose of the separate designations. The Exchange continues to believe that identifying which type of the account the orders are placed for based upon the average number of orders entered in qualified accounts is an appropriately objective approach to reasonably distinguish such persons and entities from retail investors or market participants. In general, a couple marketplace advantages afforded to Priority Customer Orders on the Exchange is that Members are typically not assessed transaction fees or are assessed lower fees for the execution of Priority Customer Orders or are provided higher rebates compared to orders from other market participants.<sup>12</sup> The purpose of these marketplace advantages is to attract retail order flow to the Exchange by leveling the playing field for retail investors relative to market professionals. This proposal will continue to provide Priority Customers with marketplace advantages and distinguish those accounts of retail investors from the accounts for professional traders. The Exchange notes that some non-broker-dealer individuals and entities have access to information and technology that enables them to professionally trade listed options in the same manner as a broker or dealer in securities. Further, other options exchanges proposed making similar changes as described herein.<sup>13</sup>

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

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

Intramarket Competition

The Exchange believes the proposed rule change does not impose any burden on intramarket competition because, today, Members are required to monitor their customers'

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<sup>12</sup> See, generally, MIAX Pearl Options Exchange Fee Schedule, Section 1)a).

<sup>13</sup> See, e.g., *supra* note 9.

activity to determine if the customer has averaged more than 390 orders per day during a month. Determining whether a customer has executed more than 390 orders per day during a month requires computing a daily average. As such, Members should be performing the workflow necessary to designate orders on a daily basis. Therefore, the proposal does not amend the current workflow, rather, the proposal amends the timeframe to change the manner in which the customer's order is being represented from five days after the end of each calendar quarter to five days after the end of each calendar month.

The Exchange does not believe that this amendment is a significant departure from the current rule, nor does it impose any burden on any Member because each broker-dealer is required currently to perform the necessary calculation daily to arrive at the requisite average. Further, in addition to the calculation, broker-dealers are subject to know-your-customer and suitability requirements under FINRA Rules 2090 (Know Your Customer) and 2111 (Suitability) and would need to consider whether a customer meets the professional designation for purposes of determining best execution and making appropriate recommendations. Finally, some Members currently monitor their customer activity and make any appropriate changes to the way in which they are representing orders on a more expedited basis, not waiting until five days after the quarter. The Exchange notes that the trading behavior of a Priority Customer can be distinguished from that of a professional trader which is the purpose of the separate designations.

Further, the designation of orders would not result in any different treatment of such orders for purposes of compliance with the Exchange's Rules. Priority Customers have been granted certain marketplace advantages over other non-broker-dealer individuals and entities that have access to information and technology that enables them to professionally trade listed options in the same manner as a broker or dealer in securities. Further, the Priority Customer designation allows the Exchange to attract order flow or create more competitive markets.

## Intermarket Competition

The Exchange believes the proposed rule change does not impose any burden on intermarket competition because other exchanges are expected to adopt similar rules.<sup>14</sup>

### 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 Section 19(b)(3)(A)(iii) of the Act<sup>15</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>16</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>17</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>18</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange states that the proposed rule change is substantially similar to the rules of

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<sup>14</sup> See, e.g., supra note 9.

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

<sup>16</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, along with a brief description and text of 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.

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

<sup>18</sup> 17 CFR 240.19b-4(f)(6)(iii).

another national securities exchange and will ensure fair competition among the exchanges by allowing the Exchange to shorten the quarterly review and designation to a monthly review of Members to determine whether the activity of a customer meets the criteria for the orders to be designated as Priority Customer Orders. For these reasons, and because the proposed rule change raises no new or novel legal or regulatory issues, the Commission finds that waiver of the operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission waives the 30-day operative delay and designates the proposed rule change to be operative upon filing.<sup>19</sup>

At any time within 60 days of the filing of such 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 under Section 19(b)(2)(B)<sup>20</sup> of the Act to determine whether the proposed rule change 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

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<sup>19</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>20</sup> 15 U.S.C. 78s(B)(2)(B).

- Send an e-mail [to rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-PEARL-2026-31 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-2026-31. 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 filing 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-2026-31 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.<sup>21</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

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<sup>21</sup> 17 CFR 200.30-3(a)(12) and (59).