



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103234; File No. SR-PEARL-2025-28]

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 Reduce Certain Rebates Provided Under the NBBO Setter Plus Program and the Requirements for Qualifying for the NBBO Setter Additive Rebate and NBBO First Joiner Additive Rebate Under the NBBO Setter Plus Program

June 11, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 6, 2025, MIAX PEARL, LLC (“MIAX Pearl” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the 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 MIAX Pearl Equities, an equities trading facility of the Exchange, to: (1) reduce the rebate provided under the NBBO Setter Additive Rebate under the NBBO Setter Plus Program (referred to in this filing as the “NBBO Program”) (defined below); (2) reduce the rebate provided under the NBBO First Joiner Additive Rebate under the NBBO Program; (3) amend the requirements for qualifying for the rebates provided under for the NBBO Setter Additive Rebate and NBBO First Joiner Additive Rebate programs; and (4) make a non-substantive cleanup change to footnote 5 of the NBBO Setter Plus Table.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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.

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: (1) reduce the rebate provided under the NBBO Setter Additive Rebate under the NBBO Setter Plus Program (referred to in this filing as the "NBBO Program")³; (2) reduce the rebate provided under the NBBO First Joiner Additive Rebate under the NBBO Program; (3) amend the requirements for qualifying for the rebates provided under for the NBBO Setter Additive Rebate and NBBO First Joiner Additive Rebate programs; and (4) make a non-substantive cleanup change to footnote 5 of the NBBO Setter Plus Table.

The Exchange initially filed this proposal on May 30, 2025 (SR-PEARL-2025-25), which was withdrawn without being noticed. On June 6, 2025, the Exchange withdrew SR-PEARL-2025-25 and refiled this proposal

Background of the NBBO Program

³ See, generally, Fee Schedule, Section 1)c).

In general, the NBBO Program provides enhanced rebates for Equity Members⁴ that add displayed liquidity (“Added Displayed Volume”) in securities priced at or above \$1.00 per share in all Tapes based on increasing volume thresholds and increasing market quality levels (described below), and provides an additive rebate⁵ applied to orders that set the NBB or NBO⁶ upon entry.⁷ The NBBO Program was implemented beginning September 1, 2023, and amended when the Exchange adopted two additional tiers of rebates, effective January 1, 2024.⁸ The NBBO Program was subsequently amended multiple times, including when the Exchange adopted the NBBO First Joiner Additive Rebate, and reduced various NBBO Program rebates.⁹

Pursuant to the NBBO Setter Plus Table in Section 1)c) of the Fee Schedule, the NBBO Program provides six volume tiers enhanced by three market quality levels to provide increasing rebates in this segment. The six volume tiers are achievable by greater volume from the best of four alternative methods. The three market quality levels are achievable by greater NBBO participation in a minimum number of specific securities (described below).

MIAX Pearl Equities first determines the applicable NBBO Program tier based on four different volume calculation methods. The four volume-based methods to determine the Equity Member’s tier for purposes of the NBBO Program are calculated in parallel in each month, and each Equity Member receives the highest tier achieved from any of the four methods each month. All four volume calculation methods are based on an Equity Member’s respective

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

⁵ See Fee Schedule, Section 1)c), NBBO Setter Additive Rebate.

⁶ With respect to the trading of equity securities, the term “NBB” shall mean the national best bid, the term “NBO” shall mean the national best offer, and the term “NBBO” shall mean the national best bid and offer. See Exchange Rule 1901.

⁷ See supra note 3.

⁸ See Securities Exchange Act Release Nos. 98472 (September 21, 2023), 88 FR 66533 (September 27, 2023) (SR-PEARL-2023-45) and 99318 (January 11, 2024), 89 FR 3488 (January 18, 2024) (SR-PEARL-2023-73).

⁹ See, e.g., Securities Exchange Act Release Nos. 98472 (September 21, 2023), 88 FR 66533 (September 27, 2023) (SR-PEARL-2023-45); 99318 (January 11, 2024), 89 FR 3488 (January 18, 2024) (SR-PEARL-2023-73); 99695 (March 8, 2024), 89 FR 18694 (March 14, 2024) (SR-PEARL-2024-11); and 102448 (February 13, 2025) 90 FR 10676 (February 25, 2025).

ADAV,¹⁰ NBBO Set Volume, ADV, or ADAV (excluding Sub-Dollar Volume) each as a percent of industry TCV¹¹ as the denominator.

Under volume calculation Method 1, the Exchange provides tiered rebates based on an Equity Member's ADAV as a percentage of TCV. An Equity Member qualifies for the base rebates in Tier 1 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.00% and less than 0.035% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 2 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.035% and less than 0.05% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 3 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.05% and less than 0.08% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 4 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.08% and less than 0.20% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 5 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.20% and less than 0.40% of TCV. Finally, an Equity Member qualifies for the enhanced rebates in Tier 6 for

¹⁰ "ADAV" means average daily added volume calculated as the number of shares added per day and "ADV" means average daily volume calculated as the number of shares added or removed, combined, per day. ADAV and ADV are calculated on a monthly basis. "NBBO Set Volume" means the ADAV in all securities of an Equity Member that sets the NBB or NBO on MIAX Pearl Equities. The Exchange excludes from its calculation of ADAV, ADV, and NBBO Set Volume shares added or removed on any day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during regular trading hours, on any day with a scheduled early market close, and on the "Russell Reconstitution Day" (typically the last Friday in June). Routed shares are not included in the ADAV or ADV calculation. See the Definitions section of the Fee Schedule.

¹¹ "TCV" means total consolidated volume calculated as the volume in shares reported by all exchanges and reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply. The Exchange excludes from its calculation of TCV volume on any given day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during Regular Trading Hours, on any day with a scheduled early market close, and on the "Russell Reconstitution Day" (typically the last Friday in June). See id.

executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV equal to or greater than 0.40% of TCV.

Under volume calculation Method 2, the Exchange provides tiered rebates based on an Equity Member's NBBO Set Volume as a percentage of TCV. Under volume calculation Method 2, an Equity Member qualifies for the base rebates in Tier 1 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume of at least 0.00% and less than 0.01% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 2 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume of at least 0.01% and less than 0.015% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 3 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume of at least 0.015% and less than 0.02% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 4 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume of at least 0.02% and less than 0.03% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 5 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume of at least 0.03% and less than 0.08% of TCV. Finally, an Equity Member qualifies for the enhanced rebates in Tier 6 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume equal to or greater than 0.08% of TCV.

Under volume calculation Method 3, the Exchange provides tiered rebates based on an Equity Member's ADV as a percentage of TCV. An Equity Member qualifies for the base rebates in Tier 1 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADV of at least 0.00% and less than

0.15% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 2 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADV of at least 0.15% and less than 0.18% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 3 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADV of at least 0.18% and less than 0.20% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 4 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADV of at least 0.20% and less than 0.60% of TCV. An Equity Member qualifies for the enhanced rebates in Tier 5 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADV of at least 0.60% and less than 1.00% of TCV. Finally, an Equity Member qualifies for the enhanced rebates in Tier 6 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADV equal to or greater than 1.00% of TCV.

Under volume calculation Method 4, the Exchange provides tiered rebates based on an Equity Member's ADAV as a percentage of TCV exclusive of executions of orders in securities priced below \$1.00 per share across all Tapes. An Equity Member qualifies for the base rebates in Tier 1 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.00% and less than 0.035% of TCV, exclusive of executions of orders in securities priced below \$1.00 per share across all Tapes. An Equity Member qualifies for the enhanced rebates in Tier 2 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.035% and less than 0.05% of TCV, exclusive of executions of orders in securities priced below \$1.00 per share across all Tapes. An Equity Member qualifies for the enhanced rebates in Tier 3 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an

ADAV of at least 0.05% and less than 0.08% of TCV, exclusive of executions of orders in securities priced below \$1.00 per share across all Tapes. An Equity Member qualifies for the enhanced rebates in Tier 4 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.08% and less than 0.20% of TCV, exclusive of executions of orders in securities priced below \$1.00 per share across all Tapes. An Equity Member qualifies for the enhanced rebates in Tier 5 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV of at least 0.20% and less than 0.40% of TCV, exclusive of executions of orders in securities priced below \$1.00 per share across all Tapes. Finally, an Equity Member will qualify for the enhanced rebates in Tier 6 for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an ADAV equal to or greater than 0.40% of TCV, exclusive of executions of orders in securities priced below \$1.00 per share across all Tapes.

After the volume calculation is performed to determine highest tier achieved by the Equity Member, the applicable rebate is calculated based on two different measurements based on the Equity Member's participation at the NBBO on the Exchange in certain securities (referenced below).

The Exchange provides one column of base rebates (referred to in the NBBO Program table as "Level A") and two columns of enhanced rebates (referred to in the NBBO Program table as "Level B" and "Level C")¹², depending on the Equity Member's Percent Time at NBBO¹³ on MIAX Pearl Equities in a certain amount of specified securities ("Market Quality

¹² For the purpose of determining qualification for the rebates described in Level B and Level C of the Market Quality Tier columns in the NBBO Setter Plus Program, the Exchange will exclude from its calculation: (1) any trading day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during regular trading hours; (2) any day with a scheduled early market close; and (3) the "Russell Reconstitution Day" (typically the last Friday in June). See the Definitions section of the Fee Schedule.

¹³ "Percent Time at NBBO" means the aggregate of the percentage of time during regular trading hours where a Member has a displayed order of at least one round lot at the national best bid ("NBB") or national best offer ("NBO"). See *id.*

Securities” or “MQ Securities”).¹⁴ The NBBO Setter Plus Table specifies the percentage of time that the Equity Member must be at the NBB or NBO on MIAX Pearl Equities in at least 200 symbols out of the full list of 1,000 MQ Securities (which symbols may vary from time to time based on market conditions). The list of MQ Securities is generally based on the top multi-listed 1,000 symbols by ADV across all U.S. securities exchanges. The list of MQ Securities is updated monthly by the Exchange and published on the Exchange’s website.¹⁵

The base rebates (“Level A”) are as follows: (\$0.00210)¹⁶ per share in Tier 1; (\$0.00280) per share in Tier 2; (\$0.00290) per share in Tier 3; (\$0.00300) per share in Tier 4; (\$0.00325) per share in Tier 5; and (\$0.00330) per share in Tier 6. Under Level B, the Exchange provides enhanced rebates for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes if the Equity Member’s Percent Time at NBBO is at least 25% and less than 50% in at least 200 MQ Securities per trading day during the month. The Level B rebates are as follows: (\$0.00215) per share in Tier 1; (\$0.00285) per share in Tier 2; (\$0.00295) per share in Tier 3; (\$0.00305) per share in Tier 4; (\$0.00330) per share in Tier 5; and (\$0.00335) per share in Tier 6. Under Level C, the Exchange provides enhanced rebates for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes if the Equity Member’s Percent Time at NBBO is at least 50% in at least 200 MQ Securities per trading day during the month. The Level C rebates are as follows: (\$0.00220) per share in Tier 1; (\$0.00290) per share in Tier 2; (\$0.00300) per share in Tier 3; (\$0.00310) per share in Tier 4; (\$0.00335) per share in Tier 5; and (\$0.00340) per share in Tier 6. As referenced above, Equity Members may also qualify for the Tier 5, Level C enhanced rebate

¹⁴ “Market Quality Securities” or “MQ Securities” shall mean a list of securities designated as such, that are used for the purposes of qualifying for the rebates described in Level B and Level C of the Market Quality Tier columns in the NBBO Setter Plus Program. The universe of these securities will be determined by the Exchange and published on the Exchange’s website. See id.

¹⁵ See e.g., MIAX Pearl Equities Exchange – Market Quality Securities (MQ Securities) List, effective May 1 through May 31, 2025, available at <https://www.miaxglobal.com/markets/us-equities/pearl-equities/fees> (last visited May 22, 2025).

¹⁶ Rebates are indicated by parentheses. See the General Notes section of the Fee Schedule.

via an alternative method by satisfying the following three requirements in the relevant month:

(1) Midpoint ADAV¹⁷ of at least 2,500,000 shares; (2) Displayed ADAV of at least 10,000,000 shares; and (3) Percent Time at the NBB or NBO of at least 50% in 200 or more symbols from the list of MQ Securities.¹⁸

The Exchange also offers an NBBO Setter Additive Rebate, which is an additive rebate of (\$0.0004) per share for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume (other than Retail Orders¹⁹) that set the NBB or NBO on MIAX Pearl Equities with a minimum size of a round lot.²⁰

Additionally, the Exchange offers an NBBO First Joiner Additive Rebate, which is an additive rebate of (\$0.0002) per share for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume (other than Retail Orders) for the first Equity Member that brings MIAX Pearl Equities to the established NBB or NBO with a minimum size of a round lot.

Proposal to Reduce the NBBO Setter Additive Rebate

The Exchange proposes to reduce the NBBO Setter Additive Rebate in the NBBO Setter Plus Table in Section 1)c) of the Fee Schedule. Currently, the Exchange provides an NBBO Setter Additive Rebate of (\$0.0004) per share, which applies only to executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume (other than Retail

¹⁷ Midpoint ADAV means the ADAV for the current month consisting of Midpoint Peg Orders in securities priced at or above \$1.00 per share that execute at the midpoint of the Protected NBBO and add liquidity to the Exchange. A Midpoint Peg Order is a non-displayed Limit Order that is assigned a working price pegged to the midpoint of the PBBO. A Midpoint Peg Order receives a new timestamp each time its working price changes in response to changes in the midpoint of the PBBO. See Exchange Rule 2614(a)(3). With respect to the trading of equity securities, the term “the term “Protected NBB” or “PBB” shall mean the national best bid that is a Protected Quotation, the term “Protected NBO” or “PBO” shall mean the national best offer that is a Protected Quotation, and the term “Protected NBBO” or “PBBO” shall mean the national best bid and offer that is a Protected Quotation. See Exchange Rule 1901.

¹⁸ See Fee Schedule, Section 1)c), Notes to NBBO Setter Plus Table, note 3.

¹⁹ A “Retail Order” is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. See Exchange Rule 2626(a)(2).

²⁰ See Fee Schedule, Section 1)c).

Orders) that set the NBB or NBO on MIAX Pearl Equities with a minimum size of a round lot. The Exchange now proposes to decrease the NBBO Setter Additive Rebate from (\$0.0004) to (\$0.0003) per share for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume (other than Retail Orders) that set the NBB or NBO on MIAX Pearl Equities with a minimum size of a round lot. The purpose of reducing the NBBO Setter Additive Rebate is for business and competitive reasons in light of recent volume growth on the Exchange. The Exchange notes that despite the modest reduction proposed herein, the proposed NBBO Setter Additive Rebate (i.e., (\$0.0003) per share) remains competitive with the NBBO Setter Additive Rebate provided by other exchanges for executions of orders in securities priced at or above \$1.00 per share that add displayed liquidity to those exchanges.²¹

Proposal to Reduce NBBO First Joiner Additive Rebate

The Exchange proposes to reduce the NBBO First Joiner Additive Rebate in the NBBO Setter Plus Table in Section 1)c) of the Fee Schedule. Currently, the Exchange provides an NBBO First Joiner Additive Rebate of (\$0.0002) per share, which applies only to executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume (other than Retail Orders) for the first Equity Member that brings MIAX Pearl Equities to the established NBB or NBO with a minimum size of a round lot. The Exchange now proposes to decrease the NBBO First Joiner Additive Rebate from (\$0.0002) to (\$0.0001) per share for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume (other than Retail Orders) for the first Equity Member that brings MIAX Pearl Equities to the established NBB or NBO with a minimum size of a round lot. The purpose of reducing the NBBO First Joiner Additive Rebate is for business and competitive reasons in light of recent volume growth on the Exchange. The Exchange notes that NBBO First Joiner Additive Rebate is comparable to other volume-based incentives and discounts, which have been widely adopted by exchanges,

²¹ See e.g., MEMX LLC Equities Fee Schedule, Transaction fees (last visited May 22, 2025), [available at https://info.memxtrading.com/equities-trading-resources/us-equities-fee-schedule/](https://info.memxtrading.com/equities-trading-resources/us-equities-fee-schedule/).

and that the Exchange's proposal to provide an additive rebate for an Equity Member's transaction that brings MIAX Pearl Equities to the established NBB or NBO with a minimum size of a round lot is similar in construct to pricing incentives that have been adopted by other exchanges.²²

Proposal to Amend the Requirements to Qualify for the NBBO Setter Additive Rebate and the NBBO First Joiner Additive Rebate

The Exchange proposes to modify the requirements by which Equity Members qualify for the NBBO Setter Additive Rebate and the NBBO First Joiner Additive Rebate by requiring Equity Members to achieve an additional requirement. In particular, an Equity Member will qualify for the NBBO Setter Additive Rebate and/or the NBBO First Joiner Additive Rebate for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume across all Tapes by achieving an NBBO Set Volume of at least 0.015% of TCV in the relevant month, in addition to the current set of requirements for Equity Members to achieve each rebate.

The Exchange notes that the rebates in NBBO Setter Plus program table offered by the Exchange are calculated using in a similar measure to the measures proposed herein, specifically volume calculation Method 2 of the NBBO Program, and the Exchange provides tiered rebates based on an Equity Member's NBBO Set Volume as a percentage of TCV, described above. Additionally, other competing equities exchanges offer an enhanced or additive rebate utilizing a volume comparison.²³

The purpose of this proposed change is to provide an incentive for Equity Members to strive for higher ADAV in all securities for which the Equity Member sets the NBB or NBO on

²² See, e.g., Securities Exchange Act Release No. 96471 (December 9, 2022), 87 FR 76648 (December 15, 2022) (SR-MEMX-2022-33) (establishing NBBO Setter/Joiner Tiers with an additive rebate for member's orders that establish the NBBO or establish a new best bid or offer on MEMX that matched the NBBO first established on an away market).

²³ See e.g., MEMX LLC Equities Fee Schedule, Transaction fees (last visited May 22, 2025), available at <https://info.memxtrading.com/equities-trading-resources/us-equities-fee-schedule/> (to qualify for an Additive Rebate in the NBBO Setter Tier, an equity member has to have an ADAV with respect to orders with Fee Code B \geq 0.05% of the TCV).

the Exchange to receive the additive rebates. The Exchange believes that this change will encourage the submission of additional Added Displayed Volume to the Exchange, thereby promoting price discovery and contributing to a deeper and more liquid market, which benefits all market participants and enhances the attractiveness of the Exchange as a trading venue.

Cleanup Change to Footnote 5 of the NBBO Setter Plus Table

The Exchange proposes to amend footnote 5 of the NBBO Setter Plus Table to make a minor non-substantive cleanup change. Currently, footnote 5 provides that “Retail Orders are not eligible for the NBBO Setter Additive Rebate, the NBBO First Joiner Additive Rebate, or the Step-Up Rebate as these rebates only apply to Liquidity Indicator Codes AA, AB and AC.”²⁴ The Exchange previously filed to amend the Fee Schedule to remove the Step-Up Rebate and leave footnote 4 of the NBBO Setter Plus Table as “Reserved.”²⁵ Accordingly, the Exchange proposes to delete the reference to the Step-Up Rebate in footnote 5 of the NBBO Setter Plus Table as that rebate is no longer in effect. The purpose of this change is to provide consistency and clarify in the Fee Schedule.

Implementation

The proposed fee changes are effective immediately.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act²⁶ in general, and furthers the objectives of Section 6(b)(4) of the Act²⁷ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among its Equity Members and issuers and other persons using its facilities.

Additionally, the Exchange believes the proposed rule change is consistent with the Section

²⁴ See Fee Schedule, Section 1)c), footnote 5.

²⁵ See Securities Exchange Act Release No. 102448 (February 19, 2025), 90 FR 10676 (February 25, 2025) (SR-PEARL-2025-05).

²⁶ 15 U.S.C. 78f(b).

²⁷ 15 U.S.C. 78f(b)(4).

6(b)(5)²⁸ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers or dealers.

The Exchange operates in a highly fragmented and competitive market in which market participants can readily direct their order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of sixteen registered equities exchanges, and there are a number of alternative trading systems and other off-exchange venues, to which market participants may direct their order flow. Based on publicly available information, no single registered equities exchange had more than approximately 14% of the total market share of executed volume of equities trading for the month of April 2025.²⁹ Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow, and the Exchange represented approximately 1% of the overall market share for the month of April 2025. The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and also recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”³⁰

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue or reduce use of certain categories of products, in response to new or different pricing structures being introduced into the market. Accordingly, competitive forces constrain the Exchange’s transaction fees and rebates, and market participants can readily trade on competing venues if

²⁸ 15 U.S.C. 78f(b)(5).

²⁹ See the “Market Share” section of the Exchange’s website, available at <https://www.miaxglobal.com/> (last visited May 27, 2025).

³⁰ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37499 (June 29, 2005).

they deem pricing levels at those other venues to be more favorable. The Exchange believes the proposal reflects a reasonable and competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange, which the Exchange believes would enhance liquidity and market quality in both a broad manner and in a targeted manner with respect to the NBBO Program, in particular, and Added Displayed Volume in securities priced at or above \$1.00 per share, in general.

Proposal to Reduce the NBBO Setter Additive Rebate

The Exchange believes its proposal to reduce the NBBO Setter Additive Rebate from (\$0.0004) per share for Added Displayed Volume (other than Retail Orders) for executions of orders in securities priced at or above \$1.00 per share that set the NBB or NBO on MIAX Pearl Equities with a minimum size of a round lot to (\$0.0003) per share is reasonable, equitably allocated and not unfairly discriminatory because the Exchange believes it will continue to provide an additional incentive for Equity Members to contribute Added Displayed Volume in securities priced at or above \$1.00 per share that sets the NBB or NBO on MIAX Pearl Equities. In turn, this should benefit all Equity Members by providing greater execution opportunities on the Exchange and contribute to a deeper, more liquid market, to the benefit of all investors and market participants. Further, the NBBO Setter Additive Rebate is available to all Equity Members of the Exchange that transact in securities priced at or above \$1.00 per share in all Tapes. The Exchange notes that despite the modest reduction proposed herein, the proposed NBBO Setter Additive Rebate (i.e., (\$0.0003) per share) remains competitive with the NBBO Setter Additive Rebate provided by other exchanges for executions of orders in securities priced at or above \$1.00 per share that add displayed liquidity to those exchanges.³¹

Proposal to Reduce the NBBO First Joiner Additive Rebate

³¹ See supra note 22.

The Exchange believes its proposal to reduce the NBBO First Joiner Additive Rebate from (\$0.0002) to (\$0.0001) per share for executions of orders in securities priced at or above \$1.00 per share for Added Displayed Volume (other than Retail Orders) for the first Equity Member that brings MIAX Pearl Equities to the established NBB or NBO with a minimum size of a round lot is reasonable because the Exchange believes that it will continue to provide an additional incentive for Equity Members to send aggressively priced displayed liquidity to the Exchange, which will encourage the submission of orders that join the established NBB or NBO on the Exchange. This should result in increased orders of aggressively priced displayed liquidity, which would enhance the Exchange's market quality by increasing execution opportunities, tightening spreads, and promoting price discovery on the Exchange to the benefit of all market participants. The Exchange believes its proposal to reduce the NBBO First Joiner Additive Rebate is equitably allocated and not unfairly discriminatory because it will be available to all Equity Members and is comparable to other volume-based incentives and discounts, which have been widely adopted by exchanges.³²

Proposal to Amend the Requirements to Qualify for the NBBO Setter Additive and the NBBO First Joiner Additive Rebate

The Exchange believes that the proposal to modify the requirements by which Equity Members qualify for the NBBO Setter Additive Rebate and the NBBO First Joiner Additive Rebate is comparable to the Exchange's other incentive calculation methods and incentive calculation methods currently offered by other exchanges,³³ and is reasonable, equitable and not unfairly discriminatory for these same reasons, as it provides Equity Members with additional incentives. Further, the proposal to modify the requirement by which Equity Members qualify for the NBBO Setter Additive Rebate and the NBBO First Joiner Additive Rebate, will be available to all Equity Members and is designed to encourage Equity Members to increase their

³² See supra note 22.

³³ See supra note 23.

orders of Added Displayed Volume in order to qualify for the additive rebates, which, in turn, the Exchange believes would encourage the submission of additional Added Displayed Volume to the Exchange, thereby promoting price discovery and contributing to a deeper and more liquid market to the benefit of all market participants.

Cleanup Change to Footnote 5 of the NBBO Setter Plus Table

The Exchange believes its proposal to amend footnote 5 of the NBBO Setter Plus Table to remove the reference to the Step-Up Rebate promotes just and equitable principles of trade, removes impediments to and perfects the mechanism of a free and open market and a national market system because the proposed change will provide greater clarity to Equity Members and the public regarding the Fee Schedule. The proposed change will remove an additive rebate that is no longer in effect.³⁴ Removing the reference to the Step-Up Rebate would render the Exchange's Fee Schedule more accurate and reduce the potential for investor confusion. It is in the public interest for the Exchange's Fee Schedule to be accurate and consistent so as to eliminate the potential for confusion

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 does not believe that the proposal will impose any burden on intra-market competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes its proposed changes to the NBBO Program, a decrease to the NBBO Setter Additive Rebate, a decrease to the NBBO First Joiner Additive Rebate, and an amendment to the requirements to qualify for the NBBO Setter Additive Rebate and the NBBO First Joiner Additive Rebate would continue to incentivize Equity Members to submit additional orders that add liquidity to the Exchange, thereby contributing to a deeper and more liquid market and

³⁴ See supra note 25.

promoting price discovery and market quality on the Exchange to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue, which the Exchange believes, in turn, would continue to encourage market participants to direct additional order flow to the Exchange. Greater liquidity benefits all Equity Members by providing more trading opportunities and encourages Equity Members to send additional orders to the Exchange, thereby contributing to robust levels of liquidity, which benefits all market participants. As described above, the opportunity to qualify for the NBBO First Joiner Additive Rebate or increased NBBO Setter Additive Rebate, and thus receive the additive rebates for qualifying executions of Added Displayed Volume, would be available to all Equity Members that meet the associated requirements, and the Exchange believes the proposed changes provide such incentives is reasonably related to the enhanced market quality that they are designed to promote. As such the Exchange does not believe the proposed changes would impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purpose of the Act.

Intermarket Competition

The Exchange believes the proposed changes will benefit competition, and the Exchange notes that it operates in a highly competitive market. Equity Members have numerous alternative venues they may participate on and direct their order flow to, including fifteen other equities exchanges and numerous alternative trading systems and other off-exchange venues. As noted above, no single registered equities exchange currently had more than 14% of the total market share of executed volume of equities trading for the month of April 2024.³⁵ Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. Moreover, the Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow in response to new or different pricing structures being

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See supra note 29.

introduced to the market. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates generally, including with respect to executions of Added Displayed Volume, and market participants can readily choose to send their orders to other exchanges and off-exchange venues if they deem fee levels at those other venues to be more favorable.

Additionally, 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 self-regulatory organization ("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."³⁶ 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: "[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 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 possess a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers' . . .".³⁷ Accordingly, the Exchange does not believe its proposed pricing changes impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Cleanup Change to Footnote 5 of the NBBO Setter Plus Table

The Exchange does not believe that the proposed change to amend footnote 5 of the NBBO Setter Plus Table to remove the reference to the Step-Up Rebate will impose any burden

³⁶ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

³⁷ See *NetCoalition v. SEC*, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSE-2006-21)).

on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposal will have no impact on competition as it is not designed to address any competitive issue but rather is designed to make a minor cleanup change to provide added clarity to the Fee Schedule by removing the reference to an additive rebate that is no longer in effect.³⁸ In addition, the Exchange does not believe the proposal will impose any burden on inter-market competition as the proposal does not address any competitive issues and is intended to protect investors by providing further transparency regarding the Exchange's 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,³⁹ and Rule 19b-4(f)(2)⁴⁰ 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:

³⁸ See *supra* note 25.

³⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴⁰ 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-2025-28 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-2025-28. 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-2025-28 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.⁴¹

Sherry R. Haywood,

Assistant Secretary.

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⁴¹ 17 CFR 200.30-3(a)(12).