

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-80251; File No. SR-PEARL-2017-11)

March 15, 2017

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend MIAX PEARL Rules 100, 404, 515, 529, 601 and the Title Pages of Chapter VIII and Chapter XI

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 3, 2017, 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 is filing a proposal to make minor corrective changes to Exchange Rules 100, 404.02(d), 515(f), 529(b)(2)(ii), 601(b), 601(b)(2), 601(b)(4), 601(b)(5), 601(c)(1), 601(c)(1)(ii), 601(c)(2), 601(c)(3), and the title pages to Chapter VIII and Chapter XI.

The text of the proposed rule change is available on the Exchange’s website at <http://www.miaxoptions.com/rule-filings/pearl> at MIAX PEARL’s principal office, and at the Commission’s Public Reference Room.

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

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

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

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

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 make minor corrective changes to Exchange Rule 100, Definitions; Rule 404, Series of Option Contracts Open for Trading; Rule 515, Execution of Orders; Rule 529, Order Routing to Other Exchanges; Rule 601, Obligations of Market Maker Authorized Traders; and the title pages of Chapter VIII and Chapter XI. First, the Exchange proposes to amend Exchange Rule 100, Definitions, to correct a typographical error in the last word of the first sentence in the definition of Priority Customer. Currently, the definition reads, “[t]he 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 accounts(s).” The word accounts should not be plural in this instance and instead should read, “account(s)”. Therefore, the Exchange proposes to amend this rule to replace the word “accounts” with “account.”

Second, the Exchange proposes to amend Exchange Rule 404, Series of Option Contracts Open for Trading, Interpretations and Policies .02, Short Term Option Series Program, to correct a typographical error in paragraph (d). The fourth sentence in the paragraph begins, “Market makers,” whereas “makers” should be capitalized. Therefore, the Exchange proposes to amend the rule to replace the term “Market makers,” with “Market Makers.”

Third, the Exchange proposes to amend Exchange Rule 515(f) to make a minor grammatical correction by removing a superfluous word from the last sentence which reads,

“[u]nexecuted contracts remaining from an ISO order will be immediately canceled. ISO is an acronym for Intermarket Sweep Order. Having the word “order” follow ISO is unnecessary and redundant. Therefore, the Exchange proposes to amend the rule to remove the word “order” from the sentence.

Fourth, the Exchange proposes to amend Exchange Rule 529(b)(2)(ii) to make a minor grammatical correction by removing a superfluous word from the first sentence which reads, “[t]he System will route ISO orders representing Eligible Orders to away markets disseminating prices better than the Exchange’s disseminated market.” ISO is an acronym for Intermarket Sweep Order. Having the word “order” follow ISO is unnecessary and redundant. Therefore, the Exchange proposes to amend the rule to remove the word “order” from the sentence. Additionally, the Exchange proposes to add an “s” to the end of “ISO” to indicate that the reference is not for a singular order.

Fifth, the Exchange proposes to amend Exchange Rule 601(b), 601(b)(2), 601(b)(4), 601(b)(5), 601(c)(1), 601(c)(1)(ii), 601(c)(2), and 601(c)(3), to make minor grammatical corrections. The Exchange proposes to replace the indefinite article “a” in the phrase “a MMAT” with the indefinite article “an” to improve the readability and precision of the rule.

Sixth, the Exchange proposes to amend the title page of Chapter VIII, Records, Reports and Audits, to correct a minor typographical error. The fourth sentence contains the number 2 whereas it should read “MIAX PEARL” instead. Currently, the fourth sentence reads, “[s]olely by way of example, and not in limitation or exhaustion: the defined term “Exchange” in the Chapter VIII Rules shall be read to refer to MIAX PEARL; the defined term “Rule” in the Chapter VIII Rules shall be read to refer to the 2 Rule; [...]” Therefore, the Exchange proposes to amend the Rule to replace the number 2 with the words “MIAX PEARL.”

Finally, the Exchange proposes to amend the title page of Chapter XI, Hearings, Review and Arbitration, to correct a minor typographical error. The fourth sentence contains the letters “MI” whereas it should read “MIAX PEARL” instead. Currently, the fourth sentence reads, “[s]olely by way of example, and not in limitation or in exhaustion: the defined term ‘Exchange’ in Chapter XI Rules shall be read to refer to MI;” The Exchange proposes to amend the Rule to insert the word “the” preceding the word “Chapter,” and to replace “MI” with “MIAX PEARL.” The proposed revised fourth sentence would then read, “[s]olely by way of example, and not in limitation or in exhaustion: the defined term ‘Exchange’ in the Chapter XI Rules shall be read to refer to MIAX PEARL;”.

## 2. Statutory Basis

MIAX PEARL believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>3</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>4</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes the proposed changes 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 because they seek to correct typographical and grammatical errors to improve the readability of the rules. The Exchange notes that the proposed changes to Exchange Rule 100, 404.02(d), 515(f), 529(b)(2)(ii), 601(b), 601(b)(2), 601(b)(4), 601(b)(5), 601(c)(1),

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

<sup>4</sup> 15 U.S.C. 78f(b)(5).

601(c)(1)(ii), 601(c)(2), 601(c)(3), and the title pages of Chapter VIII and XI, do not alter the application of each rule. As such, the proposed amendments would foster cooperation and coordination with persons engaged in facilitating transaction in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system. In particular, the Exchange believes that the proposed rule changes will provide greater clarity to Members and the public regarding the Exchange's Rules, and it is in the public interest for rules to be accurate and concise 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 rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule changes are not designed to address any competitive issues but rather are designed to add additional clarity and to remedy minor non-substantive issues in the text of various rules identified in this proposal.

The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition as the Rules apply equally to all Exchange Members.

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the

Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act<sup>5</sup> and Rule 19b-4(f)(6)<sup>6</sup> thereunder.

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

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

##### Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-PEARL-2017-11 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.

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<sup>5</sup> 15 U.S.C. 78s(b)(3)(A).

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

All submissions should refer to File Number SR-PEARL-2017-11. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://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 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should

submit only information that you wish to make available publicly. All submissions should refer to File Number SR-PEARL-2017-11 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>7</sup> 17 CFR 200.30-3(a)(12).