

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-99425; File No. SR-PEARL-2024-04)

January 24, 2024

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX PEARL, LLC to Amend Exchange Rule 2613, Usage of Data Feeds

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 January 22, 2024, 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 Exchange Rule 2613(a), Usage of Data Feeds, to disclose that the Exchange will utilize direct data feeds from the Investors Exchange LLC (“IEX”) when performing order handling, order execution, routing, and related compliance processes for equity securities.

The text of the proposed rule change is available on the Exchange’s website at <https://www.miaxglobal.com/markets/us-equities/pearl-equities/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

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

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

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

Exchange Rule 2613 identifies the data feeds that the Exchange utilizes for the handling, execution, and routing of orders in equity securities on the Exchange’s equity trading platform (“MIAX Pearl Equities”), as well as for surveillance necessary to monitor compliance with applicable securities laws and Exchange Rules. The Exchange currently utilizes IEX market data from the Consolidated Quotation System (“CQS”)/UTP Quotation Data Feed (“UQDF”) for these purposes on MIAX Pearl Equities. The Exchange intends to begin to utilize IEX’s direct feeds in place of market data from the CQS/UQDF. Therefore, the Exchange proposes to amend Exchange Rule 2613(a) to reflect that the Exchange will utilize IEX’s direct feeds in place of market data from the CQS/UQDF when performing order handling, order execution, routing, and related compliance processes for equity securities on MIAX Pearl Equities. The Exchange does not currently utilize a secondary source for data from IEX. Once it begins to utilize direct feeds for data from IEX, the Exchange will also begin to utilize CQS/UQDF as a secondary source of data from IEX on MIAX Pearl Equities.

Implementation

Due to the technological changes associated with this proposed change, the Exchange will issue a trading alert publicly announcing the implementation date of this proposed rule

change. The Exchange anticipates that the implementation date will be in either the second or third quarter of 2024.

## 2. Statutory Basis

The 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),<sup>4</sup> in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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 proposal to update Exchange Rule 2613(a) to reflect that the Exchange will utilize IEX's direct feeds in place of market data from the CQS/UQDF on MIAX Pearl Equities will continue to provide market participants with insight and transparency into which data feeds the Exchange utilizes when performing order handling, order execution, routing, and related compliance processes for equity securities. The Exchange's proposal to utilize IEX's direct feeds promotes just and equitable principles of trade because it will allow the Exchange to receive market data directly from IEX, thereby potentially enhancing the performance of its order handling, order execution, routing, and related compliance processes for equity securities. The proposed rule changes also remove impediments to and perfects the mechanism of a free and open market and protects investors and the public interest because it will continue to ensure that Exchange Rule 2613(a) accurately reflects the Exchange's sources of market data it utilizes for

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

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

each other equities exchange and the Financial Industry Regulatory Authority, Inc.'s Alternative Display Facility.

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. To the contrary, the Exchange believes the proposal would enhance competition by enhancing transparency and enabling market participants to better assess the quality of MIAX Pearl Equities' execution and routing services by continuing to provide market participants with insight and transparency into which data feeds the Exchange utilizes when performing order handling, order execution, routing, and related compliance processes for equity securities. The Exchange also believes the proposal would enhance competition because it will potentially enhance the performance of its order handling and execution of orders in equity securities by receiving market data directly from IEX. Lastly, the proposed rule change will not impact competition between market participants because it will affect all market participants equally.

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-PEARL-2024-04 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-2024-04. 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-2024-04 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>7</sup>

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

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