

Required fields are shown with yellow backgrounds and asterisks.

Filing by MIAX PEARL, LLC
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Designation of Members for Mandatory Disaster Recovery Testing Pursuant to Regulation SCI for Calendar Year 2020

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name *	Last Name *
Chris	Solgan
Title *	
Vice President, Senior Counsel	
E-mail *	
csolgan@miami-holdings.com	
Telephone *	Fax
(609) 897-8494	

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date	08/26/2020	Vice President, Senior Counsel
By	Chris Solgan	
	(Name *)	



csolgan@miami-holdings.com

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) MIAX PEARL, LLC (“MIAX PEARL” or the “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (the “Commission”) a proposed rule change to amend how the Exchange will designate certain Members³ to participate in mandatory disaster recovery testing pursuant to Regulation SCI and Miami International Securities Exchange, LLC (“MIAX”) Rule 321, which is incorporated by reference in the Exchange’s Rules, for calendar year 2020.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Chief Executive Officer of the Exchange pursuant to authority delegated by the MIAX PEARL Board of Directors on January 29, 2020. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority.

Questions and comments on the proposed rule change may be directed to Chris Solgan, Vice President and Senior Counsel, at (609) 897-8494.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See MIAX and Exchange Rule 100.

a. Purpose

The Exchange proposes to amend how the Exchange will designate certain Members to participate in mandatory disaster recovery testing pursuant to Regulation SCI and MIAX Rule 321, which is incorporated by reference in Chapter III of the Exchange's Rules, for calendar year 2020. This proposed rule change is based on a recent proposed rule change by the Long Term Stock Exchange, Inc. ("LTSE").⁴

Regulation SCI requires MIAX PEARL, as an SCI entity, to maintain business continuity and disaster recovery plans that provide for resilient and geographically diverse backup and recovery capabilities that are reasonably designed to achieve two-hour resumption of critical SCI systems and next business day resumption of other SCI systems following a wide-scale disruption.⁵

Regulation SCI and MIAX Rule 321 also require MIAX PEARL to designate certain members to participate in business continuity and disaster recovery testing in a manner specified by MIAX PEARL and at a frequency of not less than once every 12 months.⁶ Such testing ordinarily is part of an annual industry-wide test, which is next scheduled for October 24, 2020.

MIAX Rule 321 governs mandatory participation in testing of MIAX PEARL's backup systems, and states that the Exchange will designate Members that account for a specified percentage of executed volume on the Exchange, measured on quarterly basis, as required to

⁴ See Securities Exchange Act Release No. 89216 (July 2, 2020), 85 FR 41259 (July 9, 2020) (SR-LTSE-2020-10).

⁵ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 FR 72252 (December 5, 2014).

⁶ See MIAX Rule 321(a), (b).

connect to the Exchange's backup systems and participate in functional and performance testing of such system.⁷

On August 14, 2020, the Commission approved the Exchange's proposal to adopt rules governing the trading of equity securities, referred to as MIAX PEARL Equities.⁸ MIAX PEARL Equities currently is not operational and is not expecting to have two quarters of trading data on which to base its Member designation prior to the October 24, 2020 test. Thus, as currently written, MIAX Rule 321 would not permit the Exchange to designate any Equity Members⁹ of MIAX PEARL Equities to participate in the industry-wide test for 2020 because no Equity Members will have the requisite trading volume on MIAX PEARL Equities upon which a designation can be made.

To address the unique circumstances for disaster recovery testing in 2020, the year in which MIAX PEARL Equities will become operational, the Exchange proposes to amend Chapter III of the Exchange's Rules to provide that for calendar year 2020, notwithstanding paragraph (b) and Interpretations and Policies .01 of MIAX Rule 321, which assigns the Exchange responsibility of "identifying Members that account for a meaningful percentage of the Exchange's overall volume," the Exchange will instead designate at least three Equity Members on MIAX PEARL Equities who have a meaningful percentage of trading volume in NMS Stocks across the other equity exchanges. This would allow the Exchange to identify Equity Members for industry-wide disaster recovery testing in the absence of the metrics that will be used in the ordinary course to designate such firms.

⁷ See MIAX Rule 321(b).

⁸ *See* Securities Exchange Act Release No. 89563 (August 14, 2020), 85 FR 51510 (August 20, 2020) ("Equities Approval Order").

⁹ See Exchange Rule 1901.

The Exchange believes that designating at least three Equity Members who are likely already to be participating in the industry-wide test by virtue of their trading activities on other exchanges is likely to reduce the burdens associated with being designated for disaster recovery testing by MIAX PEARL in absence of significant trading volume on MIAX PEARL Equities. Moreover, to reduce the burdens on such Equity Members, the Exchange proposes, where possible, to designate firms that have already established connections to its backup systems. This is intended to address the “notice” requirements in the existing Rule 321.01 The Exchange believes that designating three or more such firms is reasonably designed to provide the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of such plans. The Exchange intends to notify Equity Members of their designation for disaster recovery testing no later than September 30, 2020. With respect to industry-wide disaster recovery testing in 2021 and beyond, the Exchange will issue one or more regulatory circulars establishing the standards to be used for determining which Equity Members contribute a meaningful percentage of the Exchange’s overall volume and thus are required to participate in functional and performance testing. Such standards will be informed by the Exchange's actual market and trading data, in accordance with MIAX Rule 321(a)-(b).

b. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5),¹¹ 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 facilitating transactions in

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

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 Exchange believes that its proposed methodology of designating Equity Members who have meaningful levels of trading activity on other exchanges and who have established connectivity to the Exchange's backup systems is consistent with the protection of investors and the public interest. The Exchange believes that the proposed rule change will ensure that the Equity Members necessary to ensure the maintenance of fair and orderly markets in the event of the activation of the Exchange's disaster recovery plans have been designated consistent with MIAX Rule 321 and Rule 1004 of Regulation SCI. Specifically, the proposal will address the unique circumstances of industrywide testing taking place within a short time of when the Exchange commences operations. The Exchange believes that the proposed rule change balances the objectives of having Equity Members participate in industry-wide disaster recovery testing, including Exchange's backup systems, and the burdens on such Equity Members who, at the time of designation, will not have traded on MIAX PEARL Equities.

As set forth in the SCI Adopting Release, "SROs have the authority, and legal responsibility, under Section 6 of the Exchange Act, to adopt and enforce rules (including rules to comply with Regulation SCI's requirements relating to BC/DR testing) applicable to their members or participants that are designed to, among other things, 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."¹² The Exchange believes that this proposal is consistent with

¹² See supra note 5, at 72350.

such authority and legal responsibility.

4. 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 Exchange believes that the proposed rule change is designed to promote fair competition among brokers and dealers and exchanges by ensuring the Exchange can designate Equity Members to participate in mandatory disaster recovery testing pursuant to Regulation SCI for calendar year 2020. The Exchange believes that designating three or more such firms is reasonably designed to provide the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of such plans, thereby promoting intermarket competition between exchanges in furtherance of the principles of Section 11A(a)(1) of the Act.¹³

With respect to intramarket competition, the proposed rule change seeks to reduce the burdens on Equity Members by only designating Equity Members who are likely already participating in the industry-wide test by virtue of their trading activities on other exchanges. Under the proposed rule change, the Exchange will designate firms that have already established connections to the Exchange's backup systems. Consequently, the Exchange does not believe that the proposed rule change would impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

¹³ 15 U.S.C. 78k-1(a)(1).

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A) of the Act¹⁴ and Rule 19b-4(f)(6)¹⁵ thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The proposed changes for how the Exchange will designate certain Equity Members on MIAX PEARL Equities to participate in mandatory disaster recovery testing pursuant to Regulation SCI and MIAX Rule 321 for calendar year 2020 will not significantly affect the protection of investors of the public interest because it will simply align the Exchange's mandatory disaster recovery testing with the industry-wide test already scheduled for October 24, 2020. This proposed rule change is based on a recent proposed rule change by the LTSE.¹⁶ Therefore, it does not present any new or novel issues that have not already been considered by the Commission.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(ii), the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(6).

¹⁶ See supra note 4.

operative delay to permit the Exchange to notify Equity Members of their designation earlier than would be possible without a waiver of the operative delay. The waiver of the operative delay would principally benefit the designated Equity Members by allowing them more advance notice of the need to prepare for disaster recovery testing on LTSE's backup systems pursuant to Regulation SCI and MIAX Rule 321.

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.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

This proposal is based on LTSE Rule 2.250.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. Text of proposed rule change.

EXHIBIT 1SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-PEARL-2020-14)

August __, 2020

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX PEARL, LLC Relating to the Designation of Members for Mandatory Disaster Recovery Testing Pursuant to Regulation SCI for Calendar Year 2020

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on August ____, 2020, MIAX PEARL, LLC (“MIAX PEARL” or the “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 amend how the Exchange will designate certain Members³ to participate in mandatory disaster recovery testing pursuant to Regulation SCI and Miami International Securities Exchange, LLC (“MIAX”) Rule 321, which is incorporated by reference in the Exchange’s Rules, for calendar year 2020.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See MIAX and Exchange Rule 100.

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 how the Exchange will designate certain Members to participate in mandatory disaster recovery testing pursuant to Regulation SCI and MIAX Rule 321, which is incorporated by reference in Chapter III of the Exchange's Rules, for calendar year 2020. This proposed rule change is based on a recent proposed rule change by the Long Term Stock Exchange, Inc. ("LTSE").⁴

Regulation SCI requires MIAX PEARL, as an SCI entity, to maintain business continuity and disaster recovery plans that provide for resilient and geographically diverse backup and recovery capabilities that are reasonably designed to achieve two-hour resumption of critical SCI systems and next business day resumption of other SCI systems following a wide-scale disruption.⁵

Regulation SCI and MIAX Rule 321 also require MIAX PEARL to designate certain members to participate in business continuity and disaster recovery testing in a manner specified

⁴ See Securities Exchange Act Release No. 89216 (July 2, 2020), 85 FR 41259 (July 9, 2020) (SR-LTSE-2020-10).

⁵ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 FR 72252 (December 5, 2014).

by MIA X PEARL and at a frequency of not less than once every 12 months.⁶ Such testing ordinarily is part of an annual industry-wide test, which is next scheduled for October 24, 2020.

MIA X Rule 321 governs mandatory participation in testing of MIA X PEARL’s backup systems, and states that the Exchange will designate Members that account for a specified percentage of executed volume on the Exchange, measured on quarterly basis, as required to connect to the Exchange’s backup systems and participate in functional and performance testing of such system.⁷

On August 14, 2020, the Commission approved the Exchange’s proposal to adopt rules governing the trading of equity securities, referred to as MIA X PEARL Equities.⁸ MIA X PEARL Equities currently is not operational and is not expecting to have two quarters of trading data on which to base its Member designation prior to the October 24, 2020 test. Thus, as currently written, MIA X Rule 321 would not permit the Exchange to designate any Equity Members⁹ of MIA X PEARL Equities to participate in the industry-wide test for 2020 because no Equity Members will have the requisite trading volume on MIA X PEARL Equities upon which a designation can be made.

To address the unique circumstances for disaster recovery testing in 2020, the year in which MIA X PEARL Equities will become operational, the Exchange proposes to amend Chapter III of the Exchange’s Rules to provide that for calendar year 2020, notwithstanding paragraph (b) and Interpretations and Policies .01 of MIA X Rule 321, which assigns the Exchange responsibility of “identifying Members that account for a meaningful percentage of the

⁶ See MIA X Rule 321(a), (b).

⁷ See MIA X Rule 321(b).

⁸ *See* Securities Exchange Act Release No. 89563 (August 14, 2020), 85 FR 51510 (August 20, 2020) (“Equities Approval Order”).

⁹ See Exchange Rule 1901.

Exchange's overall volume," the Exchange will instead designate at least three Equity Members on MIAX PEARL Equities who have a meaningful percentage of trading volume in NMS Stocks across the other equity exchanges. This would allow the Exchange to identify Equity Members for industry-wide disaster recovery testing in the absence of the metrics that will be used in the ordinary course to designate such firms.

The Exchange believes that designating at least three Equity Members who are likely already to be participating in the industry-wide test by virtue of their trading activities on other exchanges is likely to reduce the burdens associated with being designated for disaster recovery testing by MIAX PEARL in absence of significant trading volume on MIAX PEARL Equities. Moreover, to reduce the burdens on such Equity Members, the Exchange proposes, where possible, to designate firms that have already established connections to its backup systems. This is intended to address the "notice" requirements in the existing Rule 321.01 The Exchange believes that designating three or more such firms is reasonably designed to provide the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of such plans. The Exchange intends to notify Equity Members of their designation for disaster recovery testing no later than September 30, 2020. With respect to industry-wide disaster recovery testing in 2021 and beyond, the Exchange will issue one or more regulatory circulars establishing the standards to be used for determining which Equity Members contribute a meaningful percentage of the Exchange's overall volume and thus are required to participate in functional and performance testing. Such standards will be informed by the Exchange's actual market and trading data, in accordance with MIAX Rule 321(a)-(b).

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5),¹¹ 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 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 Exchange believes that its proposed methodology of designating Equity Members who have meaningful levels of trading activity on other exchanges and who have established connectivity to the Exchange's backup systems is consistent with the protection of investors and the public interest. The Exchange believes that the proposed rule change will ensure that the Equity Members necessary to ensure the maintenance of fair and orderly markets in the event of the activation of the Exchange's disaster recovery plans have been designated consistent with MIAX Rule 321 and Rule 1004 of Regulation SCI. Specifically, the proposal will address the unique circumstances of industrywide testing taking place within a short time of when the Exchange commences operations. The Exchange believes that the proposed rule change balances the objectives of having Equity Members participate in industry-wide disaster recovery testing, including Exchange's backup systems, and the burdens on such Equity Members who, at the time of designation, will not have traded on MIAX PEARL Equities.

As set forth in the SCI Adopting Release, "SROs have the authority, and legal responsibility, under Section 6 of the Exchange Act, to adopt and enforce rules (including rules to comply with Regulation SCI's requirements relating to BC/DR testing) applicable to their members or participants that are designed to, among other things, foster cooperation and

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

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.”¹² The Exchange believes that this proposal is consistent with such authority and legal responsibility.

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 Exchange believes that the proposed rule change is designed to promote fair competition among brokers and dealers and exchanges by ensuring the Exchange can designate Equity Members to participate in mandatory disaster recovery testing pursuant to Regulation SCI for calendar year 2020. The Exchange believes that designating three or more such firms is reasonably designed to provide the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of such plans, thereby promoting intermarket competition between exchanges in furtherance of the principles of Section 11A(a)(1) of the Act.¹³

With respect to intramarket competition, the proposed rule change seeks to reduce the burdens on Equity Members by only designating Equity Members who are likely already participating in the industry-wide test by virtue of their trading activities on other exchanges. Under the proposed rule change, the Exchange will designate firms that have already established connections to the Exchange’s backup systems. Consequently, the Exchange does not believe that the proposed rule change would impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

¹² See supra note 5, at 72350.

¹³ 15 U.S.C. 78k-1(a)(1).

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 Act¹⁴ and Rule 19b-4(f)(6)¹⁵ 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:

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 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.

- 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:to-rule-comments@sec.gov). Please include File Number SR-PEARL-2020-14 on the subject line.

Paper comments:

- Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-PEARL-2020-14. 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 Web site (<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-2020-14 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.¹⁶

Vanessa Countryman
Secretary

¹⁶ 17 CFR 200.30-3(a)(12).

New text is underlined; Deleted text is in [brackets]

MIAX PEARL, LLC Rules

CHAPTER III. BUSINESS CONDUCT

The rules contained in MIAX Chapter III, as such rules may be in effect from time to time (the “Chapter III Rules”), are hereby incorporated by reference into this MIAX PEARL Chapter III, and are thus MIAX PEARL Rules and thereby applicable to MIAX PEARL Members. MIAX PEARL Members shall comply with the Chapter III Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in Chapter III Rules shall be read to refer to the MIAX PEARL related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term “Exchange” in the Chapter III Rules shall be read to refer to MIAX PEARL; the defined term “Rule” in the Chapter III Rules shall be read to refer to the MIAX PEARL Rule; the defined term “Chapter” in the Chapter III Rules shall be read to refer to the MIAX PEARL Chapter; the defined term “Market Maker” in Chapter III Rules shall be read to refer to the MIAX PEARL Market Maker; and the defined term “Member” in the Chapter III Rules shall be read to refer to the MIAX PEARL Member.

For calendar year 2020, notwithstanding paragraph (b) and Interpretations and Policies .01 of MIAX Rule 321, the Exchange will instead designate at least three Equity Members on MIAX PEARL Equities who have a meaningful percentage of trading volume in NMS Stocks across the other equity exchanges. The Exchange will designate firms that have already established connections to the Exchange’s backup systems. The Exchange will notify Members designated under this provision no later than September 30, 2020.
