available, as requested by customers, and market participants may choose to receive (and pay for) this data based on their own business needs. Potential purchasers may request the data at any time if they believe it to be valuable or may decline to purchase such data. Given the above, the Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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 from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act [49] and Rule 19b–4(f)(6) thereunder.[50]

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)(iii),[51] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay. The Exchange states that waiver of the operative delay will permit the Exchange to immediately make the US Equity Short Volume & Trades Report available to subscribers as an alternative to the competing products offered by NYSE and Nasdaq. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because the proposed rule change does not raise any new or novel issues. Accordingly, the Commission hereby waives the operative delay and designates the proposal operative upon filing.[52]

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 will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–CboeBZX–2023–024.

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–CboeBZX–2023–024. 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 (*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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–CboeBZX–2023–024, and should be submitted on or before May 10, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[53]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2023–08222 Filed 4–18–23; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–97308; File No. SR–PEARL–2023–16]

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

April 13, 2023.

Pursuant to 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 March 31, 2023, MIAX PEARL, LLC (''MIAX Pearl'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') 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 the fee schedule (the ''Fee Schedule'') applicable to MIAX Pearl Equities, an equities trading facility of the Exchange.

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

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[49] 15 U.S.C. 78s(b)(3)(A).

[50] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[51] 17 CFR 240.19b–4(f)(6)(iii).

[52] For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[53] 17 CFR 200.30–3(a)(12), (59).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

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: (i) increase the rebate for Adding Liquidity Displayed Orders and Adding Liquidity Non-Displayed Orders in securities priced below $1.00 per share; (ii) increase the fee for Removing Liquidity in securities priced below $1.00 per share; (iii) update the corresponding liquidity indicator codes to reflect the aforementioned proposed changes in (i) and (ii) above; and (iv) increase the percentage threshold for Add Volume Tier 3 from 0.20% to 0.30% of total consolidated volume (''TCV'').[3]

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct 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 many venues, including 16 registered equities exchanges as well as 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 currently has more than approximately 15–16% of the total market share of executed volume of equities trading.[4]

Proposal To Increase the Rebate for Adding Liquidity Displayed Orders and Adding Liquidity Non-Displayed Orders in Securities Priced Below $1.00 per Share

Currently, the Exchange provides a rebate of (0.10%)[5] of the total dollar value of any transaction in securities priced below $1.00 per share that adds liquidity (displayed or non-displayed) across all Tapes to the Exchange.[6] The Exchange now proposes to increase the rebate from (0.10%) to (0.15%) of the total dollar value of any transaction in securities priced below $1.00 per share that adds liquidity (displayed or non-displayed) across all Tapes to the Exchange. The purpose of the proposed change is for business and competitive reasons.

Proposal To Increase the Fee for Removing Liquidity in Securities Priced Below $1.00 per Share

Currently, the Exchange assesses a fee of 0.20% of the total dollar value of any transaction in securities priced below $1.00 per share that removes liquidity across all Tapes from the Exchange.[7] The Exchange now proposes to increase the fee from 0.20% to 0.25% of the total dollar value of any transaction in securities priced below $1.00 per share that removes liquidity across all Tapes from the Exchange. The purpose of the proposed change is for business and competitive reasons.

Proposal To Harmonize Section 1)b), Liquidity Indicator Codes and Associated Fees, With the Proposed Changes to the Standard Rates Table

The Exchange provides a table of liquidity indicator codes and associated fees/rebates that are applied to transactions so that Equity Members[8] may better understand the fee or rebate that is applied to each execution. The liquidity indicator code for each execution is returned on the real-time trade report sent to the Equity Member that submitted the order. Currently, the Exchange provides over thirty different liquidity indicator codes, nine of which relate to adding liquidity to the Exchange and nine that relate to removing liquidity from the Exchange.

The Exchange now proposes to update the rebates for liquidity indicator codes that add liquidity to the Exchange to align to the aforementioned proposed change to increase the standard rebate for Adding Liquidity Displayed Orders and Adding Liquidity Non-Displayed Orders from (0.10%) to (0.15%) of the total dollar value of the transaction in securities priced below $1.00 per share. Specifically, the Exchange proposes to amend the column titled ''Fee/(Rebate) Securities Priced Below $1.00'' in Section 1)b) of the Fee Schedule to reflect the proposed increase to the standard rebate for Adding Liquidity (Displayed Orders and Non-Displayed Orders) in securities priced below $1.00 per share for the following liquidity indicator codes: AA, AB, AC, AR, Aa, Ab, Ac, Ap, and Ar.

Additionally, the Exchange proposes to update the fees for liquidity indicator codes that remove liquidity from the Exchange to align to the aforementioned proposed change to increase the standard fee for Removing Liquidity from 0.20% to 0.25% of the total dollar value of the transaction in securities priced below $1.00 per share. Specifically, the Exchange proposes to amend the column titled ''Fee/(Rebate) Securities Priced Below $1.00'' in Section 1)b) of the Fee Schedule to reflect the proposed increase to the standard fee for Removing Liquidity in securities priced below $1.00 per share for the following liquidity indicator codes: RA, RB, RC, RR, Ra, Rb, Rc, Rp, and Rr. The purpose of these changes is to harmonize the table in Section 1)b) of the Fee Schedule to the changes proposed in Section 1)a) of the Fee Schedule.

Proposal To Amend the Percentage Threshold for Tier 3 of the Add Volume Tiers

Currently, the Exchange provides a volume-based tier structure in Section 1)c) of the Fee Schedule, referred to as the Add Volume Tiers, in which the Exchange provides an enhanced rebate for executions of Adding Liquidity Displayed Orders in securities priced at or above $1.00 per share for Equity Members that meet certain specified volume thresholds on the Exchange (applicable to Liquidity Indicator Codes AA, AB and AC). Pursuant to the Add Volume Tiers table in Section 1)c) of the Fee Schedule, an Equity Member qualifies for an enhanced rebate under Tier 1 by achieving an average daily

[3] The term ''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* the Definition Section of the Fee Schedule.

[4] Market share percentage calculated as of March 29, 2023. The Exchange receives and processes data made available through consolidated data feeds.

[5] The Exchange indicates rebates in parentheses in the Fee Schedule. *See* the General Notes Section of the Fee Schedule.

[6] *See* Fee Schedule, Section 1)a). *See also* Fee Schedule, Section 1)b), Liquidity Indicator Codes AA, AB, AC, AR, Aa, Ab, Ac, Ap, and Ar.

[7] *See* Fee Schedule, Section 1)a). *See also* Fee Schedule, Section 1)b), Liquidity Indicator Codes RA, RB, RC, RR, Ra, Rb, Rc, Rp and Rr.

[8] The term ''Equity Member'' is a Member authorized by the Exchange to transact business on MIAX Pearl Equities. *See* Exchange Rule 1901.

volume added (''ADAV'') [9] of at least 0.07% of the TCV. Equity Members that qualify for Tier 1 receive an enhanced rebate of ($0.0032) per share for executions of Adding Liquidity Displayed Orders for executions of orders in securities priced at or above $1.00 per share across all Tapes. An Equity Member qualifies for an enhanced rebate under Tier 2 by achieving an ADAV of at least 0.10% of the TCV. Equity Members that qualify for Tier 2 receive an enhanced rebate of ($0.0035) per share for executions of Added Displayed Volume for executions of orders in securities priced at or above $1.00 per share across all Tapes. An Equity Member qualifies for an enhanced rebate under Tier 3 by achieving an ADAV of at least 0.20% of the TCV. Equity Members that qualify for Tier 3 receive an enhanced rebate of ($0.0036) per share for executions of Added Displayed Volume for executions of orders in securities priced at or above $1.00 per share across all Tapes.

The Exchange now proposes to amend the Add Volume Tiers table in Section 1)c) of the Fee Schedule to increase the percentage threshold for Add Volume Tier 3 from 0.20% to 0.30% of TCV. The Exchange does not propose to amend the percentage thresholds for Add Volume Tiers 1 or 2 and does not propose to amend any of the enhanced rebates applicable to the Add Volume Tiers table. With the proposed change, an Equity Member will now qualify for an enhanced rebate under Tier 3 by achieving an ADAV of at least 0.30% of the TCV (enhanced rebate of ($0.0036) per share for executions of Added Displayed Volume for executions of orders in securities priced at or above $1.00 per share across all Tapes). The purpose of this change is for business and competitive reasons and to level-set the Tier 3 volume threshold in light of recent market share change on the Exchange.

Implementation

The Exchange proposes to implement the changes to the Fee Schedule pursuant to this proposal on April 1, 2023.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act [10] in general, and furthers the objectives of Section 6(b)(4) of the Act [11] in particular, in that it is an equitable allocation of reasonable fees and other charges among its Equity Members and issuers and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with the objectives of Section 6(b)(5) [12] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, and 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, and, particularly, is not 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 many venues, including 16 registered equities exchanges as well as 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 currently has more than approximately 15–16% of the total market share of executed volume of equities trading.[13] 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 currently represents less than 2% of the overall market share.[14] 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.'' [15]

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 to 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 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 to the benefit of all Equity Members and market participants.

Proposal To Increase the Rebate for Adding Liquidity (Displayed Orders and Non-Displayed Orders) in Securities Priced Below $1.00 per Share

The Exchange believes that the proposed increased rebate for executions of all orders in securities priced below $1.00 per share that add displayed and non-displayed liquidity to the Exchange is reasonable, equitable, and non-discriminatory because it would further incentivize Equity Members to submit displayed and non-displayed liquidity-adding orders in sub-dollar securities to the Exchange. The Exchange believes that this would deepen liquidity and promote price discovery in such securities to the benefit of all Equity Members, and such rebates would continue to apply equally to all Equity Members. The Exchange further believes that the proposed increased rebate is reasonable because the proposed rebates for executions of liquidity-adding orders in sub-dollar securities are higher than the rebates provided by competing exchanges for sub-dollar securities.[16]

[9] The term ''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. *See* the Definitions Section of the Fee Schedule.

[10] 15 U.S.C. 78f(b).

[11] 15 U.S.C. 78f(b)(4).

[12] 15 U.S.C. 78f(b)(5).

[13] *See* ''The Market at a Glance,'' *available at https://www.miaxoptions.com/* (last visited March 29, 2023).

[14] *Id.*

[15] Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37499 (June 29, 2005).

[16] *See e.g.,* NYSE Arca Equities Fee Schedule, III. Standard Rates—Transactions, *available at https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Marketplace_Fees.pdf* (providing a standard rebate of 0.0% of the total dollar value of the transaction for liquidity-adding transactions in securities priced below $1.00 per share, and tiered rebates for such transactions ranging from 0.05% to 0.15% of the total dollar value of the transaction based on a participant achieving certain volume thresholds); *see also* MEMX Fee Schedule,

Continued

Proposal To Increase the Fee for Removing Liquidity in Securities Priced Below $1.00 per Share

The Exchange believes that the proposed change to increase the standard fee for executions of all orders in securities priced below $1.00 per share that remove liquidity from the Exchange is reasonable, equitable, and consistent with the Act because it represents a modest increase from the current standard fee (change from 0.20% to 0.25% of the total dollar value). Even with the proposed increase, the Exchange's standard fee for executions of all orders in securities priced below $1.00 per share that remove liquidity from the Exchange remains lower than, or similar to, the standard fee to remove liquidity in securities priced below $1.00 per share charged by competing equities exchanges.[17] The Exchange further believes that the proposal to increase the standard fee for executions of all orders in securities priced below $1.00 per share that remove liquidity from the Exchange is equitably allocated and not unfairly discriminatory because it will apply to all Equity Members that remove liquidity from the Exchange.

Proposal To Amend the Percentage Threshold for Tier 3 of the Add Volume Tiers

The Exchange believes that the proposed change to increase the percentage threshold for Add Volume Tier 3 is reasonable, equitable, and consistent with the Act because the Exchange's market share has risen over the past few months and the proposed change is designed to level-set Equity Members' trading activity on the Exchange with recent performance. Even with the proposed percentage threshold increase, the Exchange's percentage thresholds and corresponding enhanced rebates for executions of orders in securities priced at or above $1.00 per share that add liquidity in displayed orders remains similar to the enhanced rebates to add such liquidity by at least one competing equities exchange.[18] The Exchange believes that even with the proposed volume threshold change to the Add Volume Tier 3, the Exchange's enhanced rebates and volume thresholds will still allow the Exchange to remain highly competitive such that the thresholds should enable the Exchange to continue to attract order flow and maintain market share. As the amount and type of volume that is executed on the Exchange has shifted since it first established the Add Volume Tier thresholds, the Exchange has determined to level-set the volume criteria threshold amount in Tier 3 so that is more reflective of the current operating conditions and the current type and amount of volume executed on the Exchange.

For the reasons discussed above, the Exchange submits that the proposal satisfies the requirements of Sections 6(b)(4) and 6(b)(5) of the Act in that it provides for the equitable allocation of reasonable dues, fees and other charges among its Equity Members and other persons using its facilities and is not designed to unfairly discriminate between customers, issuers, brokers, or dealers. As described more fully below in the Exchange's statement regarding the burden on competition, the Exchange believes that its transaction pricing is subject to significant competitive forces, and that the proposed fees and rebates described herein are appropriate to address such forces.

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. The Exchange believes the proposed changes will continue to encourage Equity Members to maintain or increase their order flow to the Exchange, thereby contributing to a deeper and more liquid market to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue. As a result, the Exchange believes the proposal will enhance its competitiveness as a market that attracts actionable orders, thereby making it a more desirable destination venue for its customers. For these reasons, the Exchange believes that the proposal furthers the Commission's goal in adopting Regulation NMS of fostering competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small." [19]

Intra-Market Competition

The Exchange believes that the proposed changes will continue to incentivize market participants to direct order flow to the Exchange, thereby contributing to a deeper and more liquid market to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue, which the Exchange believes, in turn, will 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 orders to the Exchange, thereby contributing to robust levels of liquidity, which benefits all Equity Members.

The opportunity to qualify for the Add Volume Tiers, and thus receive the proposed enhanced rebates for executions of displayed added volume will continue to be available to all Equity Members that meet the associated volume requirement in any month. The Exchange believes that meeting the volume requirement of the Add Volume Tiers is attainable for market participants, as the Exchange believes the thresholds are relatively low, even with the proposed change to Tier 3, and are reasonably related to the enhanced liquidity and market quality that the Add Volume Tiers are designed to promote. Similarly, the proposed increase to the standard fee for executions of orders that remove volume from the Exchange will continue to apply equally to all Equity Members. As such, the Exchange believes the proposed changes would not impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intermarket Competition

The Exchange believes its proposal will benefit competition as the Exchange 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

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Transaction Fees, *available at https://info.memxtrading.com/fee-schedule/* (providing standard rebates ranging from 0.075% to 0.15% of the total dollar value for executions in securities priced below $1.00 per share).

[17] *See* Cboe EDGX Equities Fee Schedule, Standard Rates, *available at https://www.cboe.com/us/equities/membership/fee_schedule/edgx/* (charging a standard fee of 0.30% of the dollar value to remove liquidity in securities priced below $1.00 per share); *see also* MEMX Fee Schedule, Transaction Fees (charging a standard fee of 0.28% of the total dollar value to remove liquidity in securities priced below $1.00 per share) *and* NYSE American Equities Price List, Section I.A.2., *available at https://www.nyse.com/publicdocs/nyse/markets/nyse-american/NYSE_America_Equities_Price_List.pdf* (charging a standard fee of 0.25% of the total dollar value of the transaction to remove liquidity in securities priced below $1.00 per share).

[18] *See* MEMX Fee Schedule, Liquidity Provision Tiers, *available at https://info.memxtrading.com/fee-schedule/* (providing enhanced rebate for added displayed volume in Tier 1 of $0.00335 if the member has an ADAV (excluding retail orders) greater than or equal to 0.45% of the TCV).

[19] *See* Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 47396 (June 29, 2005).

equities exchanges and numerous alternative trading systems and other off-exchange venues. As noted above, no single registered equities exchange currently has more than 15–16% of the total market share of executed volume of equities trading.[20] 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 introduced to the market. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates generally, including with respect to executions of orders that remove volume from the Exchange, 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.

As described above, the proposed changes are competitive proposals through which the Exchange is seeking to encourage additional order flow to the Exchange. Such proposed changes to (i) increase the Adding Liquidity (displayed and non-displayed orders) rebates and Removing Liquidity fee and (ii) increase the threshold to achieve the enhanced Tier 3 Add Volume rebate are comparable to, and competitive with, rates charged by other exchanges.[21] The proposed change to update the Liquidity Indicator Codes and Associated Fees table is in conjunction with the Exchange's abovementioned proposed changes.

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 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.'' [22] 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' . . . .'' [23] 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.

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,[24] and Rule 19b–4(f)(2) [25] 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 email to *rule-comments@sec.gov.* Please include File Number SR–PEARL–2023–16 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–2023–16. 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 (*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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–PEARL–2023–16, and should be submitted on or before May 10, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[26]

Sherry R. Haywood,

Assistant Secretary.

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[20] *See* supra note 13.

[21] *See supra* notes 16, 17 and 18.

[22] *See* Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

[23] *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)).

[24] 15 U.S.C. 78s(b)(3)(A)(ii).

[25] 17 CFR 240.19b–4(f)(2).

[26] 17 CFR 200.30–3(a)(12).