

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105053; File No. SR-PEARL-2025-50]

Self-Regulatory Organizations; MIAX PEARL, LLC; Order Granting Approval of a Proposed Rule Change to Allow Post Only Orders in Sub-Dollar Securities

March 19, 2026.

I. Introduction

On December 10, 2025, MIAX PEARL, LLC (“MIAX Pearl” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² a proposed rule change to allow a Post Only order instruction to be applied to displayed and non-displayed orders in securities priced below \$1.00 per share (“sub-dollar security(ies)”). The proposed rule change was published for comment in the Federal Register on December 29, 2025.³ On January 28, 2026, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ This order approves the proposed rule change.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 104462 (Dec. 19, 2025), 90 FR 60807 (“Notice”). The Commission has received no comment letters on the proposed rule change.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 104731, 91 FR 4652 (February 2, 2026). The Commission designated March 29, 2026, as the date by which the Commission shall approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

II. Description of the Proposed Rule Change⁶

An order designated as Post Only on the Exchange is a non-routable order that is designed to post to the Exchange's Equities Book ("Equities Book") and not remove liquidity except when the value of an execution when removing liquidity would equal or exceed the value of an execution if the order instead posted to the Equities Book and subsequently provided liquidity.⁷ Pursuant to Rule 2614(c)(2)(i), it is only for Post Only orders in securities priced at or above \$1.00 per share that the Exchange performs this economic analysis to determine whether to allow the removal of liquidity. Under Rule 2614(c)(2)(i)(A), an order designated as Post Only in a sub-dollar security may remove liquidity without regard to what the value of an execution would be if the order instead posted to the Equities Book and subsequently provided liquidity.

The Exchange proposed to amend Rule 2614(c)(2)(i) such that, as is currently the case for a Post Only order in a security priced at or above \$1.00, a Post Only order in a sub-dollar security would remove liquidity from the Equities Book only if the value of such execution would equal or exceed the value of an execution if the order instead posted to the Equities Book and subsequently provided liquidity.⁸ Broadly speaking then, as a result of this proposed rule amendment, the Exchange would apply Post Only functionality to any order so designated by an

⁶ The Exchange sets forth additional detail and justification regarding the proposal in the Notice. See supra note 3.

⁷ See Exchange Rule ("Rule") 2614(c)(2). To determine at the time of a potential execution whether the value of such execution when removing liquidity would equal or exceed the value of such execution if the order instead posted to the Equities Book and subsequently provided liquidity, the Exchange uses the highest possible fee charged and highest possible rebate paid for such executions on the Exchange. See Rule 2614(c)(2)(i)(B). Post Only orders for securities priced at or above \$1.00 per share may be displayed or non-displayed on the Exchange. See Rule 2614(c)(3)-(4).

⁸ See proposed Rule 2614(c)(2)(i). As is the case currently for Post Only orders in securities priced at or above \$1.00 per share, this economic analysis for sub-dollar securities would be based on the highest possible rebate that would be paid for providing liquidity and the highest possible fee that would be charged for removing liquidity. See proposed Rule 2614(c)(2)(i). In addition, as a technical matter, this particular rule amendment would be accomplished by the elimination of current Rule 2614(c)(2)(i)(A).

Equity Member,⁹ whether displayed or non-displayed, in any security traded on the Exchange.¹⁰

The Exchange states that other national securities exchanges already offer Post Only functionality for sub-dollar securities.¹¹

The Exchange proposed additional amendments to Rule 2614(c)(2)(i), as well as Rule 2617(a)(4), in connection with the proposed expansion of Post Only functionality to orders in sub-dollar securities. These additional amendments are designed to facilitate the use of displayed and non-displayed Post Only orders in sub-dollar securities by addressing the potential for such orders to cause internally locked or crossed markets on the Exchange.¹² The Exchange states that there are differences between the market structure for securities priced at or above \$1.00 and the market structure for sub-dollar securities, and these differences impact how the Post Only instruction may function.¹³ Specifically, the Exchange states that, due to the different fee levels and minimum price increments for securities priced at or above \$1.00 per share compared to sub-dollar securities, a Post Only order in a sub-dollar security could cause an internally locked or crossed market on the Equities Book, whereas a Post Only order in a security priced at or above \$1.00 per share could cause an internally locked market but not an internally

⁹ The term “Equity Member” means a member of the Exchange authorized to transact business on MIAX Pearl Equities. See Rule 1901.

¹⁰ See Notice, 90 FR at 60808, 60810, 60815.

¹¹ Id. at 60810.

¹² Id. at 60810-15.

¹³ Id. at 60808, 60810; see also id. at 60809 n. 15 and 19 (setting forth the Exchange’s different maker-taker fee structures for securities priced at or above \$1.00 versus sub-dollar securities, respectively); id. at 60812 n. 36 (citing Rule 2612(a), which provides that the minimum pricing increment is \$.01 for securities priced at or above \$1.00 per share, and \$.0001 for sub-dollar securities).

crossed market.¹⁴ The Exchange further states that these proposed rule amendments expand existing Exchange functionality.¹⁵

Proposed Rule 2614(c)(2)(i)(A), which would assume the rule provision numbering vacated by the elimination of current Rule 2614(c)(2)(i)(A),¹⁶ is designed to address the potential for internally crossed markets that could occur on the Exchange due to the usage of Post Only orders in sub-dollar securities and the above-noted, sub-dollar security market structure features that are different from the at/above dollar security context. Under this proposed rule, (1) if a non-displayed order designated as Post Only to buy (sell) does not remove liquidity, and that order, if posted at its limit price, would cross a resting displayed order to sell (buy) on the Equities Book, the non-displayed Post Only order to buy (sell) will post to the Equities Book with a working price equal to the price of the displayed order to sell (buy), and (2) if a displayed order designated as Post Only to buy (sell) does not remove liquidity and the limit price of that order would cross a non-displayed order to sell (buy) resting on the Equities Book, the non-displayed order to sell (buy) will re-price to a working price equal to the limit price of the displayed Post Only order to buy (sell).¹⁷ The Exchange states that this re-pricing functionality for a non-displayed order is consistent with how: (1) the Exchange currently re-prices orders

¹⁴ Id. at 60808. An internally locked or crossed market could occur on the Exchange based on the working price of non-displayed interest on one or both sides of the market. The Exchange will not display a locked or crossed market. See Rule 2617(a)(4)(iii).

¹⁵ See Notice, 90 FR at 60811.

¹⁶ In connection with this rule numbering change, current Rule 2614(c)(2)(i)(B) would be incorporated into Rule 2614(c)(2)(i) under the proposal.

¹⁷ See proposed Rule 2614(c)(2)(i)(A). The Exchange has provided examples of how the proposed re-pricing functionality would work. See Notice, 90 FR at 60811-12. Proposed Rule 2614(c)(2)(i)(A) would apply when the potential cross would involve non-displayed interest on one side of the market and displayed interest on the other side of the market, and would not apply when the potential cross would involve non-displayed interest on both sides of the market. Pursuant to Rule 2617(a)(4)(iii), a non-displayed Post Only order that does not remove liquidity may post and rest on the Equities Book at a price that crosses (or locks) contra-side non-displayed interest.

with a Minimum Execution Quantity (“MEQ”) instruction in the same circumstances,¹⁸ (2) the Exchange currently re-prices a non-displayed order that crosses the Protected Quotation of an external market,¹⁹ and (3) other national securities exchanges re-price non-displayed orders in certain circumstances.²⁰

Rule 2617(a)(4)(iv) currently applies only to orders in securities priced at or above \$1.00 per share, and sets forth functionality that dictates when the Exchange would allow an Aggressing Order²¹ or incoming order to execute against locked or crossed interest resting on the Equities Book. In connection with expanding Post Only functionality to orders in sub-dollar securities, the Exchange proposes to amend Rule 2617(a)(4)(iv) such that the functionality set forth in the rule would apply to orders in securities of any price, including Post Only orders in sub-dollar securities. The Exchange states that the execution mechanism set forth in Rule 2617(a)(4)(iv) is designed to maintain intra-market price priority by governing the price at which a non-displayed order is executable when there is a contra-side displayed order at a price that results in an internally locked or crossed book.²² Under the amended rule, for a security of any price, when a non-displayed order to sell (buy) is posted on the Equities Book at a price that locks or crosses a displayed order to buy (sell), an Aggressing Order or an incoming order to buy (sell) that is priced more aggressively than the order to buy (sell) displayed on the Equities Book will execute against the non-displayed order to sell (buy) resting on the Equities Book at one-half

¹⁸ See Notice, 90 FR at 60811; see also Rule 2614(c)(7)(ii)(B).

¹⁹ See Notice, 90 FR at 60811; see also Rule 2614(g).

²⁰ See Notice, 90 FR at 60811.

²¹ The term “Aggressing Order” means an order to buy (sell) that is or becomes marketable against sell (buy) interest on the MIAX Pearl Equities Book. A resting order may become an Aggressing Order if its working price changes, if the PBBO or NBBO is updated, because of changes to other orders on the MIAX Pearl Equities Book, or when processing inbound messages. See Rule 1901.

²² See Notice, 90 FR at 60812.

minimum price variation higher (lower) than the price of the resting displayed order to buy (sell).²³

III. Discussion and Commission Findings

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.²⁴ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,²⁵ which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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 not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In general, according to the Exchange, the Post Only order instruction provides Equity Members with an increased likelihood that the order will add liquidity to the order book and not remove liquidity unless certain price improvement requirements are satisfied.²⁶ The Exchange states that Post Only orders are an important tool because they allow market participants to post aggressively-priced liquidity while achieving cost control with regard to the fee or rebate

²³ See proposed Rule 2617(a)(4)(iv). The Exchange has provided examples of the operation of this order handling functionality for securities priced at, above or below \$1.00 per share, for scenarios involving an incoming Post Only order as well as an Aggressing Order executing against contra-side interest when there is a re-evaluation of the Equities Book. See Notice, 90 FR at 60813-14. Since proposed Rule 2617(a)(4)(iv) would apply when there is non-displayed interest on one side of the market and displayed interest on the other side of the market, and since proposed Rule 2614(c)(2)(i)(A) would not permit an internal cross involving a Post Only order in that scenario, the application of proposed Rule 2617(a)(4)(iv) to Post Only orders is with regard to the potential occurrence of an internally locked market.

²⁴ 15 U.S.C. 78f(b). In approving this proposed rule change, the Commission has considered the proposed rule change's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

²⁵ 15 U.S.C. 78f(b)(5).

²⁶ See Notice, 90 FR at 60809.

associated with the potential execution of their orders.²⁷ The Exchange further states that, by incentivizing aggressively-priced liquidity, Post Only functionality contributes to improved liquidity, market depth, and if the orders are displayed, price transparency.²⁸

The Exchange states that this proposal is not intended to encourage an increase in the overall volume or order flow in sub-dollar securities.²⁹ According to the Exchange, average daily sub-dollar trading volume comprised approximately 9% of overall daily volume in September 2025, and the majority of sub-dollar trading volume occurs off-exchange.³⁰ In addition, the Exchange states that other exchanges already allow Post Only functionality for orders in sub-dollar securities.³¹ Therefore, according to the Exchange, this proposal is designed to allow the Exchange to better compete with other exchanges and off-exchange venues for sub-dollar security order flow, as well as encourage market participants to send such order flow to an exchange-level pool of liquidity.³²

The Commission agrees that an exchange providing Post Only functionality for orders in sub-dollar securities is not novel, as the Commission understands, consistent with what the Exchange has stated, that other exchanges already provide Post Only functionality for sub-dollar securities.³³ To the extent the Exchange's proposed Post Only functionality for orders in sub-dollar securities differs from how other exchanges handle Post Only orders in sub-dollar securities, these differences may manifest in the order interaction scenarios that the Exchange

²⁷ Id. at 60815.

²⁸ Id. at 60810, 60815.

²⁹ Id. at 60808, 60816.

³⁰ Id.

³¹ See supra note 11 and accompanying text.

³² See Notice, 90 FR at 60807-08, 60815.

³³ See supra note 11 and accompanying text.

has contemplated and addressed in the proposal, in the Commission's view. Specifically, the proposal addresses the potential for the Exchange to experience an internally crossed order book in a sub-dollar security as a result of the interaction of non-displayed Post Only orders with contra-side displayed orders, or the interaction of displayed Post Only orders with contra-side non-displayed orders, by re-pricing the non-displayed order to the locking price in those scenarios.³⁴ Likewise, the proposal expands to sub-dollar securities order handling functionality that already exists for securities priced at or above \$1.00 and is designed to alleviate, insofar as Post Only orders are concerned, any internal locks on the Equities Book involving contra side displayed and non-displayed interest.³⁵

VI. Conclusion

For the reasons set forth above, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, the requirements of Section 6(b)(5) of the Act.³⁶

³⁴ See proposed Rule 2614(c)(2)(i). The Exchange states that internally locked or crossed markets on the Exchange are rare events and should continue to be rare under this proposal. See Notice, 90 FR at 60808.

³⁵ See proposed Rule 2617(a)(4)(iv). The Exchange states that, based on its observations and experience with MEQ orders, an internally locked or crossed book is typically alleviated almost immediately or within an extremely short period of time after the initial occurrence. See Notice, 90 FR at 60808.

³⁶ 15 U.S.C. 78f(b)(5).

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,³⁷ that the proposed rule change (SR-PEARL-2025-50) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁸

Vanessa A. Countryman,

Secretary

³⁷ 15 U.S.C. 78s(b)(2).

³⁸ 17 CFR 200.30-3(a)(12).