

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-100785; File No. SR-SAPPHIRE-2024-17)

August 20, 2024

Self-Regulatory Organizations; MIAX Sapphire, LLC, Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend its Rules Relating to the Continuing Education for Registered Persons as Provided Under Exchange Rule 1903

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 9, 2024, MIAX Sapphire, LLC (“MIAX Sapphire” 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 Interpretation and Policy .01 to Exchange Rule 1903, Continuing Education.

The text of the proposed rule change is available on the Exchange’s website at <https://www.miaxglobal.com/markets/us-options/miax-sapphire/rule-filings>, at the Exchange’s principal office, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and the 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Interpretation and Policy .01 to Exchange Rule 1903, Continuing Education, to clarify participation requirements and deadline dates of the continuing education program.

Background

The Form 1 Application of MIAX Sapphire was approved by the Securities Exchange Commission to register as a national securities exchange on July 15, 2024.³ MIAX Sapphire intends to begin trading operations on August 12, 2024. In anticipation of the launch of the Exchange MIAX Sapphire is in the process of updating rules so that they are current.

Policy .01 of Exchange Rule 1903 describes the conditions and timeframes for certain individuals registered with the Exchange to participate in the continuing education program under paragraph (c) of Rule 1903. FINRA amended their Continuing Education (“CE”) Program requirements in FINRA Rule 1240 in 2021 to establish a Maintaining Qualifications Program (MQP).⁴ Under FINRA Rule 1240.01, FINRA designated a look-back provision for the two years immediately prior to March 15, 2022 for meeting the requirements of the MQP.

³ See Securities Exchange Act Release No. 100539 (July 15, 2024), 89 FR 58848 (July 19, 2024) (File No. 10-240) (order approving application of MIAX Sapphire, LLC for registration as a national securities exchange).

⁴ See Securities Exchange Act Release No. 93097 (September 21, 2021), 86 FR 53358 (September 27, 2021) (Order Approving File No. SR-FINRA-2021-015). Other exchanges, including the Exchange’s affiliate, MIAX, subsequently filed copycat rule filings to align their continuing education rules with those of FINRA. See Securities Exchange Act Release No. 95140 (June 22, 2022), 87 FR 38438 (June 28, 2022) (SR-MIAX-2022-23) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange

In 2023, FINRA again amended FINRA Rule 1240.01, to provide eligible individuals a second opportunity to elect to participate in the MQP.⁵ This change required eligible individuals who elected to participate in the MQP during the second look-back period to complete any prescribed continuing education content by March 31, 2024. For technical reasons related to the mechanics of registering in the MQP via FINRA’s Financial Professional Gateway (“FinPro”) account some eligible individuals may have been precluded from properly registering for the MQP, therefore, FINRA again amended its rule to extend the requirements completion period to July 1, 2024.⁶

Proposal

The Exchange proposes to amend its Rule to provide that individuals enrolled in the continuing education program under Interpretation and Policy .01 of Rule 1903 who have completed their prescribed 2022 and 2023 continuing education content by July 1, 2024 shall be eligible to continue their participation in the continuing education program. The time period extensions provided by FINRA beginning in 2021 for maintaining registrations have all concluded, therefore the Exchange believes that this change will provide clarity in regards to the eligibility requirements for participation in the continuing education program.

Rule 1900, Registration Requirements, Exchange Rule 1903, Continuing Education Requirements, and Exchange Rule 1904, Electronic Filing Requirements for Uniform Forms).

⁵ See Securities Exchange Act Release No. 97184 (Mar. 22, 2023), 88 FR 18359 (Mar. 28, 2023) (SR-FINRA-2023-005) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend FINRA Rule 1240.01 To Provide Eligible Individuals Another Opportunity to Elect to Participate in the Maintaining Qualifications Program). The Exchange notes that the second look-back period does not appear in Sapphire Rule 1903 as it concluded prior to the Exchange’s Form 1 Application being approved.

⁶ See Securities Exchange Act Release No. 100067 (May 6, 2024), 89 FR 40520 (May 10, 2024) (SR-FINRA-2024-006)(Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend FINRA Rule 1240.01 To Reopen the Period by Which Certain Participants in the Maintaining Qualifications Program May Complete Their Prescribed Continuing Education Content).

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁸ requirements that the rules of an exchange be 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange's rule proposal is intended to harmonize the Exchange's supervision rules, specifically with respect to the continuing education requirements with those of FINRA, on which they are based. Consequently, the proposed change will conform the Exchange's rules to recent changes made to corresponding FINRA rules, thus promoting application of consistent regulatory standards with respect to rules that FINRA enforces pursuant to its regulatory services agreement with the Exchange.

The Exchange believes that the proposed rule change will bring consistency and uniformity with FINRA's recently amended CE Program, which will, in turn, assist members and their associated persons in complying with these rules and improve regulatory efficiency. The

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ Id.

proposed rule change makes ministerial changes to the Exchange's CE rules to align them with the CE rules of FINRA, in order to prevent unnecessary regulatory burdens and to promote efficient administration of the rules.

B. Self-Regulatory Organization's Statement on Burden on Competition

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. The Exchange believes that the proposed rule change, which harmonizes its rules with the recent rule change adopted by FINRA, will reduce the regulatory burden placed on market participants engaged in trading activities across different markets. The Exchange believes that the harmonization of the CE program requirements across the various markets will reduce burdens on competition by removing impediments to participation in the national market system and promoting competition among participants across the multiple national securities exchanges.

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

Pursuant to Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(6)¹¹ 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

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.¹²

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.

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. Please include file number SR-SAPPHIRE-2024-17 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-SAPPHIRE-2024-17. 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

¹² 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, 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.

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. 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-SAPPHIRE-2024-17 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.¹³

Sherry R. Haywood,

Assistant Secretary.

¹³ 17 CFR 200.30-3(a)(12).