

A decorative graphic in the top left corner consisting of several overlapping lines in blue and orange, forming a jagged, wave-like pattern.

Vanessa Countryman  
Secretary Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**AMS Derivatives B.V.**

Strawinskylaan 3095  
1077 ZX Amsterdam  
The Netherlands  
[AMS\\_CorporateStrategy@Optiver.com](mailto:AMS_CorporateStrategy@Optiver.com)  
+31(0) 20 708 7000

**Optiver US**

130 E. Randolph, Suite 1300  
Chicago, IL 60601  
[CHI\\_CorporateStrategy@optiver.us](mailto:CHI_CorporateStrategy@optiver.us)  
(312) 892-9500

[www.optiver.com](http://www.optiver.com)

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**Reference:**

Release No. 34-90124; File No. SR-PEARL-2020-20

**Subject:**

Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Extend the Pilot related to the Market-wide Circuit Breaker in MIAX PEARL Exchange Rule 2622

Dear Secretary Countryman,

Optiver US LLC and AMS Derivatives B.V. (collectively “Optiver” or the “Firms”), appreciate the opportunity to comment on the Proposed Rule Change to Extend the Pilot Related to the Market-Wide Circuit Breaker in MIAX PEARL Exchange Rule 2622.

Optiver is a global proprietary trading firm. Trading on over 50 exchanges in equities, futures, and options markets worldwide. Optiver supports regulatory policies that promote transparency, open access to markets, and fair competition amongst all market participants.

Optiver supports extension of the Market-Wide Circuit Breaker pilot program under FINRA Rule 6121.02 as a means of creating orderly, efficient and stable markets for all participants during times of heightened volatility throughout Regular Trading Hours (RTH). We believe that the Market-Wide Circuit Breakers triggered in March 2020 functioned as intended and contributed toward market stability. Optiver further calls on the industry to make the Market-Wide Circuit Breakers a permanent rule.

Moreover, Optiver believes that the MWCB model should be applied to Overnight Trading Hours (OTH) where a lack of coordination across asset classes and exchanges can contribute to dramatic price dislocations between highly correlated assets, increasing uncertainty in an already volatile moment.

According to FINRA Rule 6121.02, “a market-wide trading halt will be triggered if the S&P 500 Index declines in price by specified percentages from the prior day’s closing price of that index. Currently, the triggers are set at three circuit breaker thresholds: 7% (Level 1), 13% (Level 2), and 20% (Level 3). A market decline that triggers a Level 1 or Level 2 halt after 9:30 a.m. ET and before 3:25 p.m. ET would halt market-wide trading for 15 minutes, while a similar market decline at or after 3:25 p.m. ET would not halt market-wide trading.”

It is Optiver's opinion that a market decline before 9 AM ET should not be considered different than a market decline during RTH. As the global relevance of US equity markets has grown and technology has enabled longer trading hours, liquidity and volumes during the pre-open OTH session have increasingly resembled those of the RTH session. Rules for trading should be considered with today's 24 hour global marketplace in mind.

Mechanisms designed to protect market participants during RTH work because cross-exchange coordination allows for markets to remain open, thereby permitting continuous price discovery and ready access to liquidity. Conversely, a lack of coordination in OTH prohibits efficient price discovery and contributes to a meaningful change in the composition of liquidity of broad market proxies. Reducing the liquidity pool by limiting Benchmark Futures trading and allowing for prices on highly-correlated assets to dislocate, inhibits risk management, increases volatility in markets and ultimately reduces confidence.

Optiver believes that cross exchange coordination during all trading hours will allow for more transparent and liquid markets when participants need those most. Consideration of the 24 hour global trading cycle is paramount as access to fair and orderly markets is what allows for robust price discovery and risk transfer for all market participants.

Optiver greatly appreciates the Commission's consideration of our comments on File No. SR-PEARL-2020-20 and would be pleased to discuss these comments in greater detail with the staff. If you have any additional questions, please do not hesitate to contact us.

Yours Sincerely,

A handwritten signature in cursive script that reads "Michael Golding".

Michael Golding  
Head of Trading – Optiver US LLC

A handwritten signature in cursive script that reads "Rutger Brinkhuis".

Rutger Brinkhuis  
Head of Trading – AMS Derivatives B.V.