

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2016 - * 08	Amendment No. (req. for Amendments *)
Filing by Investors' Exchange LLC Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934				
Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>
			Section 19(b)(3)(B) * <input type="checkbox"/>	
			Rule	
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
			<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) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>		Section 3C(b)(2) * <input type="checkbox"/>	
Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>			
Description				
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).				
<input type="text" value="Proposal to amend Rule 11.190(f) to make correcting and clarifying changes."/>				
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 *	<input type="text" value="Claudia"/>	Last Name *	<input type="text" value="Crowley"/>	
Title *	<input type="text" value="Chief Regulatory Officer"/>			
E-mail *	<input type="text" value="claudia.crowley@iextrading.com"/>			
Telephone *	<input type="text" value="(646) 343-2041"/>	Fax	<input type="text"/>	
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	<input type="text" value="07/29/2016"/>	Chief Regulatory Officer		
By	<input type="text" value="Claudia Crowley"/>	<input type="text"/>		
(Name *)				
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.				
<input type="button" value="claudia.crowley@iextrading.com"/>				

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

Add Remove View

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 Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend Rule 11.190(f) to (i) eliminate obsolete references to route to rest functionality, (ii) replace the phrase “displayed interest” with “displayable interest” to more clearly describe how the IEX System handles such interest in a One-Sided Market, and (iii) describe how orders are handled in a Zero Market when a contra-side Protected Quotation returns. The Exchange has designated this rule change as non-controversial under Section 19(b)(3)(A) of the Act³ and provided the Commission with the notice required by Rule 19b-4(b)(6)(iii) thereunder.⁴

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

(b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

Exchange's governing documents. Therefore, the Exchange's internal procedures with respect to the proposed rule change are complete.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Claudia Crowley
Chief Regulatory Officer
Investors Exchange LLC
646-343-2041

Sophia Lee
General Counsel
Investors Exchange LLC
646-343-2040

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

a. Purpose

The Exchange proposes to amend Rule 11.190(f) to (i) eliminate obsolete references to route to rest functionality in subparagraphs (4)(B)(i)(b) and 5(B), (ii) replace the phrase "displayed interest" with "displayable interest" in subparagraphs (4)(B), (4)(B)(i)(a) and (4)(B)(ii)(a) to more clearly describe how the IEX System handles such interest in a One-Sided Market, and (iii) describe, in subparagraphs 5(A) and 5(B), how orders are handled in a Zero Market when a contra-side Protected Quotation returns.

With respect to references to route to rest functionality, subparagraphs (4)(B)(i)(b) and (5)(B) reference Rule 11.230(c)(6). However, Rule 11.230(c)(6) was deleted in connection with Amendment No. 3 to IEX's Form 1 application under the Act, seeking registration as a national securities exchange pursuant to Section 6 of the Act.⁵ In Amendment No. 3,⁶ IEX proposed changes to redesign its outbound routing functionality, which changes included eliminating route to rest routing functionality

⁵ 15 U.S.C. 78f.

⁶ See, Securities Exchange Act Release No. 77406 (March 18, 2016)..

previously described in Rule 11.230(c)(6). However, IEX inadvertently failed to delete references to such functionality in subparagraphs (4)(B)(i)(b) and (5)(B) of Rule 11.190(f).

Currently, subparagraph (4)(B)(i)(b) of Rule 11.190(f) provides that in a One-Sided Market (which lacks either a Protected Bid or Protected Offer) routable displayable orders on the same side as the Protected Quotation can route passively to rest on away trading centers. Similarly, subparagraph (5)(B) of Rule 11.190(f) provides that in a Zero Market (in which neither a Protected Bid nor Protected Offer exists) routable displayable orders can route passively to rest on away trading centers. As proposed, such orders will not be eligible to route passively to rest on away trading centers, while the One-Sided Market or Zero Market, as applicable, exists. Accordingly, IEX proposes to update its rules to delete those provisions.

IEX also proposes to replace the phrase “displayed interest” with “displayable interest” in subparagraphs (4)(B), (4)(B)(i)(a) and (4)(B)(ii)(a) to more clearly describe how the IEX System handles such interest in a One-Sided Market. Specifically, the subparagraphs noted above use the term “displayed interest” when describing trading interest that is eligible for display but may not have been displayed. Accordingly, the Exchange proposes to change such references to “displayable interest” since the applicable rule provisions describe the handling of orders that are displayable even if not displayed.

Finally, the Exchange proposes to describe, in subparagraphs 5(A) and 5(B) of Rule 11.190, how orders are handled in a Zero Market when a contra-side Protected Quotation returns. Currently, those provisions describe how non-displayed and

displayable interest is handled in a Zero Market (i.e., in which neither a Protected Bid nor Protected Offer exists), but do not describe how orders are handled when a Protected Quotation returns on one side of the market. As proposed, Rule 11.190(5)(A) and (B) provide that when a contra-side Protected Quotation returns, the system will route routable orders consistent with Rule 11.230(b)(2), if eligible for re-sweep. This change thus addresses when a Two-Sided or One-Sided Market returns.

b. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act, in general and with Sections 6(b)⁷ of the Act in general, and furthers the objectives of Section 6(b)(5)⁸ of the Act, in particular, in that it is 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. The Exchange believes it is appropriate to make the specified corrections so that its rules clearly describe the manner in which its systems operate by removing obsolete text and clarifying the operation of the rule when a protected quotation returns. The proposed changes do not introduce new functionality but merely make the rule more complete and precise. Further, the Exchange believes that the proposed rule change is consistent with the protection of investors and the public interest because it will provide for accuracy and consistency in the Exchange's rules and alleviate any confusion among market participants.

⁷ 15 U.S.C. 78f.

⁸ 15 U.S.C. 78f(b)(5).

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

IEX 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 because IEX is amending its rules to provide for accuracy and consistency. The Exchange is merely removing obsolete language and clarifying the operation of the rule, therefore no new burdens are being proposed.

5. 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.

6. Extension of Time Period for Commission Action

Not applicable.

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

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act⁹ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁰ The Exchange asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, (3) and will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate. In addition, the Exchange provided the Commission with 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.¹¹

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4.

¹¹ 17 CFR 240.19b-4(f)(iii).

The Exchange believes that the proposed rule change meets the criteria of subparagraph (f)(6) of Rule 19b-4¹² because it would not significantly affect the protection of investors or the public interest; rather, the proposed rule change will benefit investors because the proposal merely removes obsolete language and clarifies the operation of the rule to make it more precise without introducing any new or novel concepts. Based on the foregoing, the Exchange has designated this rule filing as “non-controversial” under Section 19(b)(3)(A) of the Act¹³ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁴

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. The proposed rule filing merely amends the Exchange’s rules to provide for accuracy and consistency. Waiver of the operative delay is, therefore, consistent with the protection of investors and the public interest because it will allow the Exchange to implement the proposed rule change to coincide with IEX’s launch of exchange operations during a security-by-security phase-in period, thus assuring that the Exchange’s rules are accurate and consistent which will alleviate any potential confusion among market participants.

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

¹² 17 CFR 240.19b-4(f)(6).

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4.

Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) of the Act to determine whether the proposed rule change should be approved or disapproved.¹⁵

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

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

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

Exhibit 1 – Form of Notice of the Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 – Text of Proposed Rule Change.

¹⁵ 15 U.S.C. 78s(b)(2)(B).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34 -); File No. SR-IEX-2016-08)

Self-Regulatory Organizations: Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 11.190(f) to Make Correcting and Clarifying Changes.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on (date), the Investors Exchange LLC (“IEX” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. 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

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),⁴ and Rule 19b-4 thereunder,⁵ Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend Rule 11.190(f) to (i) eliminate obsolete references to route to rest functionality, (ii) replace the phrase “displayed interest” with “displayable interest” to more clearly describe how the IEX System handles such interest in a One-

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CFR 240.19b-4.

Sided Market, and (iii) describe how orders are handled in a Zero Market when a contra-side Protected Quotation returns. The Exchange has designated this rule change as non-controversial under Section 19(b)(3)(A) of the Act⁶ and provided the Commission with the notice required by Rule 19b-4(b)(6)(iii) thereunder.⁷

The text of the proposed rule change is available at the Exchange's website at www.iextrading.com, at the principal office of the Exchange, 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 self-regulatory organization 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 statement may be examined at the places specified in Item IV below. The self-regulatory organization 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 Rule 11.190(f) to (i) eliminate obsolete references to route to rest functionality in subparagraphs (4)(B)(i)(b) and 5(B), (ii) replace the phrase "displayed interest" with "displayable interest" in subparagraphs (4)(B), (4)(B)(i)(a) and (4)(B)(ii)(a) to more clearly describe how the IEX System handles such interest in a One-Sided Market, and (iii) describe, in subparagraphs 5(A)

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6)(iii).

and 5(B), how orders are handled in a Zero Market when a contra-side Protected Quotation returns.

With respect to references to route to rest functionality, subparagraphs (4)(B)(i)(b) and (5)(B) reference Rule 11.230(c)(6). However, Rule 11.230(c)(6) was deleted in connection with Amendment No. 3 to IEX's Form 1 application under the Act, seeking registration as a national securities exchange pursuant to Section 6 of the Act.⁸ In Amendment No. 3,⁹ IEX proposed changes to redesign its outbound routing functionality, which changes included eliminating route to rest routing functionality previously described in Rule 11.230(c)(6). However, IEX inadvertently failed to delete references to such functionality in subparagraphs (4)(B)(i)(b) and (5)(B) of Rule 11.190(f).

Currently, subparagraph (4)(B)(i)(b) of Rule 11.190(f) provides that in a One-Sided Market (which lacks either a Protected Bid or Protected Offer) routable displayable orders on the same side as the Protected Quotation can route passively to rest on away trading centers. Similarly, subparagraph (5)(B) of Rule 11.190(f) provides that in a Zero Market (in which neither a Protected Bid nor Protected Offer exists) routable displayable orders can route passively to rest on away trading centers. As proposed, such orders will not be eligible to route passively to rest on away trading centers, while the One-Sided Market or Zero Market, as applicable, exists. Accordingly, IEX proposes to update its rules to delete those provisions.

IEX also proposes to replace the phrase "displayed interest" with "displayable interest" in subparagraphs (4)(B), (4)(B)(i)(a) and (4)(B)(ii)(a) to more clearly describe

⁸ 15 U.S.C. 78f.

⁹ See, Securities Exchange Act Release No. 77406 (March 18, 2016)..

how the IEX System handles such interest in a One-Sided Market. Specifically, the subparagraphs noted above use the term “displayed interest” when describing trading interest that is eligible for display but may not have been displayed. Accordingly, the Exchange proposes to change such references to “displayable interest” since the applicable rule provisions describe the handling of orders that are displayable even if not displayed.

Finally, the Exchange proposes to describe, in subparagraphs 5(A) and 5(B) of Rule 11.190, how orders are handled in a Zero Market when a contra-side Protected Quotation returns. Currently, those provisions describe how non-displayed and displayable interest is handled in a Zero Market (i.e., in which neither a Protected Bid nor Protected Offer exists), but do not describe how orders are handled when a Protected Quotation returns on one side of the market. As proposed, Rule 11.190(5)(A) and (B) provide that when a contra-side Protected Quotation returns, the system will route routable orders consistent with Rule 11.230(b)(2), if eligible for re-sweep. This change thus addresses when a Two-Sided or One-Sided Market returns.

2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act, in general and with Sections 6(b)¹⁰ of the Act in general, and furthers the objectives of Section 6(b)(5)¹¹ of the Act, in particular, in that it is 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

¹⁰ 15 U.S.C. 78f.

¹¹ 15 U.S.C. 78f(b)(5).

public interest. The Exchange believes it is appropriate to make the specified corrections so that its rules clearly describe the manner in which its systems operate by removing obsolete text and clarifying the operation of the rule when a protected quotation returns. The proposed changes do not introduce new functionality but merely make the rule more complete and precise. Further, the Exchange believes that the proposed rule change is consistent with the protection of investors and the public interest because it will provide for accuracy and consistency in the Exchange's rules and alleviate any confusion among market participants.

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

IEX 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 because IEX is amending its rules to provide for accuracy and consistency. The Exchange is merely removing obsolete language and clarifying the operation of the rule, therefore no new burdens are being proposed.

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 Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A)¹² of the Act and Rule 19b-4(f)(6)¹³ thereunder. Because the 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

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(6).

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 and Rule 19b-4(f)(6) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)¹⁴ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁵ 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 to the extent necessary so that the proposal may become operative at the time of the launch of its operation as a national securities exchange.

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 under Section 19(b)(2)(B)¹⁶ of the Act 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:

¹⁴ 17 CFR 240.19b-4(f)(6).

¹⁵ 17 CFR 240.19b-4(f)(6)(iii).

¹⁶ 15 U.S.C. 78s(b)(2)(B).

- 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-IEX-2016-08 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-IEX-2016-03. This file number should be included in 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 Section, 100 F Street, NE, Washington, DC 20549-1090. Copies of the filing will also be available for inspection and copying at the IEX's principal office and on its Internet website at www.iextrading.com. 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-IEX-2016-08 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.¹⁷

¹⁷ 17 CFR 200.30-3(a)(12).

Exhibit 5 – Text of Proposed Rule Change

Proposed new language is underlined; proposed deletions are in brackets.

Rule 11.190. Orders and Modifiers

(a) – (e) – No change.

(f)(1) – (3) – No change.

(4)(A) – No change.

(B) In a One-Sided Market, [displayed] displayable interest is handled in the following manner:

(i) When IEX receives displayable interest on the same side of the market as the Protected Bid or Protected Offer:

(a) [Displayed] Displayable interest marked IEX Only posts and displays at the most aggressive allowable price.

(b) For [R]routable displayable orders, the System [can route passively to rest on away trading centers with limit orders marked with a TIF of DAY (i.e., Route to Rest, pursuant to IEX Rule 11.230(c)(6)), but the router will not designate outbound orders with a TIF of IOC] will not route to away trading centers since there are no available contra-side Protected Quotations to access.

(ii) When IEX receives displayable interest on the side of the market opposite a best Protected Quote:

(a) [Displayed] Displayable interest marked IEX Only is eligible to trade with interest that is present on the Exchange and will post any unexecuted shares, order instructions allowing, subject to displayed-price sliding, as per paragraph (h)(1) below.

(b) For routable orders, the System will route the order consistent with Rule 11.230(b)(2).

(5) Zero Markets. Zero Markets are markets in which neither a Protected Bid nor a Protected Offer exists.

(A) In a Zero Market, resting non-displayed interest is unavailable to trade. Non-displayed orders are not eligible to route when Zero Markets exist. When a Two-Sided Market returns, non-displayed orders become available at their relative priority. When a contra-side Protected

Quotation returns, [and] the System will [may] route routable orders consistent with Rule 11.230(b)(2), if eligible for re-sweep.

(B) In a Zero Market, displayable interest will post and display at the most aggressive allowable price, and will not route to away trading centers since there are no available Protected Quotations to access. When a contra-side Protected Quotation returns, the system will route routable orders consistent with Rule 11.230(b)(2), if eligible for re-sweep. [Displayable orders can only route passively to rest on away trading centers (i.e. Route to Rest, pursuant to IEX Rule 11.230(c)(6)), if routable.]

(g) – (h) – No change.