

Required fields are shown with yellow backgrounds and asterisks.

Filing by Investors' Exchange LLC  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input 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) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

Proposed rule change related to fees pursuant to IEX Rule 15.110.

**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 \* Nathaniel Last Name \* Kolodny  
Title \* Lead Regulation Counsel  
E-mail \* nathaniel.kolodny@iextrading.com  
Telephone \* (646) 343-2034 Fax

**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 02/04/2020 Lead Regulation Counsel  
By Nathaniel Kolodny

(Name \*)

nathaniel.kolodny@iextrading.com

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.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

Add Remove View

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 \***

Add Remove View

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**

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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”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) proposed changes to eliminate the IEX Enhanced Market Maker (“IEMM”) program set forth in IEX Rule 11.170 and make conforming changes to its Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to eliminate the IEMM fee discounts.

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 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:

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

Nathaniel Kolodny  
Lead Regulation Counsel  
Investors Exchange LLC  
646-343-2034

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

(a) Purpose

The Exchange is proposing to eliminate the IEX Enhanced Market Maker ("IEMM") program set forth in IEX Rule 11.170 and to make conforming changes to its Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to eliminate the IEMM fee discounts.

Background

IEX launched the IEMM program on February 1, 2018.<sup>3</sup> The IEMM program provides a fee discount to incentivize Members<sup>4</sup> to quote at and/or near the NBBO<sup>5</sup> in IEX Listed Securities<sup>6</sup> for a significant portion of the day. As specified in IEX Rule 11.170, a Member registered as an IEX Market Maker pursuant to Rule 11.150 in all securities listed on IEX<sup>7</sup> may be designated as an IEMM by meeting the monthly quoting

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<sup>3</sup> See Securities Exchange Act Release No. 82636 (February 6, 2018), 83 FR 6059 (February 12, 2018) (SR-IEX-2018-02).

<sup>4</sup> See IEX Rule 1.160(s).

<sup>5</sup> The term "NBBO" means the national best bid or offer, as set forth in Rule 600(b) of Regulation NMS under the Act, determined as set forth in IEX Rule 11.410(b). See IEX Rule 1.160(u).

<sup>6</sup> See IEX Rule 14.002(19).

<sup>7</sup> Supplementary Material .01 to Rule 11.170 provides a limited exception to the requirement that a Member must be a registered IEX Market Maker in all securities listed on IEX if (i) a Member does not act as a market maker in one or more IEX-listed securities on any other national securities exchange, and (ii) the Market Maker provides documentation, satisfactory to IEX Regulation, substantiating that such Member is unable to act as a market maker in one or more particular securities listed on IEX (a) in order to comply with specified legal or regulatory requirements, or (b) operational restrictions not exceeding 90 calendar days from the date the security first lists on the Exchange.

criteria for the Inside Tier, the Depth Tier, or both.<sup>8</sup> Members designated as IEMMs qualify for a lower per-share rate charged for both displayed and non-displayed executions subject to either the Reduced or Standard Match Fees on the Exchange in securities priced at or above \$1.00, as set forth in IEX Rule 11.170(a)(3) and the IEX Fee Schedule.

There are no longer any IEX Listed Securities, and it is thus not possible for any Member to qualify for designation as an IEMM and the applicable transaction fee discount.<sup>9</sup> Therefore, the Exchange is proposing to eliminate the IEMM program and delete IEX Rule 11.170 (designating it as “Reserved”) and remove all references to the IEMM fee discounts from the IEX Fee Schedule. IEX believes this proposed rule change will eliminate any possible confusion about whether Members can qualify for the IEMM discounts.

(b) Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b) of the Act<sup>10</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>11</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using the Exchange’s facilities; and to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a

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<sup>8</sup> See IEX Rule 11.170.

<sup>9</sup> IEX announced its listing business exit on September 23, 2019, which was effective on October 7, 2019. See IEX Trading Alert #2019-029 available at: <https://iextrading.com/alerts/#/85>.

<sup>10</sup> 15 U.S.C. 78f.

<sup>11</sup> 15 U.S.C. 78f(b)(4)-(5).

free and open market and a national market system.

The Exchange believes that the proposed rule change is consistent with these principles because it will remove obsolete rule text and fee provisions, thereby avoiding any potential confusion among Members. As noted in the Purpose section, there are no longer any IEX Listed Securities, and it is thus not possible for any Member to qualify for designation as an IEMM and the applicable transaction fee discount. The Exchange further believes that the proposed rule change is reasonable, equitable, and not unfairly discriminatory because the changes will apply equally to all Members.

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. The proposed rule change is not designed to address any competitive issues but simply to remove obsolete rule text and fee provisions to avoid any potential confusion among Members.

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)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>12</sup> IEX has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory

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<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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) of the Act to determine whether the proposed rule change should be approved or disapproved.<sup>13</sup>

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 3C 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.

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<sup>13</sup> 15 U.S.C. 78s(b)(2)(B).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34 -     ); File No. SR-IEX-2020-02)

Self-Regulatory Organizations: Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Fees Pursuant to Rule 15.110.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> 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 Act,<sup>4</sup> and Rule 19b-4 thereunder,<sup>5</sup> IEX is filing with the Commission proposed changes to eliminate the IEX Enhanced Market Maker (“IEMM”) program set forth in IEX Rule 11.170 and make conforming changes to its Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to eliminate the IEMM fee discounts.

The text of the proposed rule change is available at the Exchange’s website at [www.iextrading.com](http://www.iextrading.com), at the principal office of the Exchange, and at the Commission’s

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> 15 U.S.C. 78s(b)(1).

<sup>5</sup> 17 CFR 240.19b-4.

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 statements 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 is proposing to eliminate the IEX Enhanced Market Maker ("IEMM") program set forth in IEX Rule 11.170 and to make conforming changes to its Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to eliminate the IEMM fee discounts.

Background

IEX launched the IEMM program on February 1, 2018.<sup>6</sup> The IEMM program provides a fee discount to incentivize Members<sup>7</sup> to quote at and/or near the NBBO<sup>8</sup> in IEX Listed Securities<sup>9</sup> for a significant portion of the day. As specified in IEX Rule 11.170, a Member registered as an IEX Market Maker pursuant to Rule 11.150 in all

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<sup>6</sup> See Securities Exchange Act Release No. 82636 (February 6, 2018), 83 FR 6059 (February 12, 2018) (SR-IEX-2018-02).

<sup>7</sup> See IEX Rule 1.160(s).

<sup>8</sup> The term "NBBO" means the national best bid or offer, as set forth in Rule 600(b) of Regulation NMS under the Act, determined as set forth in IEX Rule 11.410(b). See IEX Rule 1.160(u).

<sup>9</sup> See IEX Rule 14.002(19).

securities listed on IEX<sup>10</sup> may be designated as an IEMM by meeting the monthly quoting criteria for the Inside Tier, the Depth Tier, or both.<sup>11</sup> Members designated as IEMMs qualify for a lower per-share rate charged for both displayed and non-displayed executions subject to either the Reduced or Standard Match Fees on the Exchange in securities priced at or above \$1.00, as set forth in IEX Rule 11.170(a)(3) and the IEX Fee Schedule.

There are no longer any IEX Listed Securities, and it is thus not possible for any Member to qualify for designation as an IEMM and the applicable transaction fee discount.<sup>12</sup> Therefore, the Exchange is proposing to eliminate the IEMM program and delete IEX Rule 11.170 (designating it as “Reserved”) and remove all references to the IEMM fee discounts from the IEX Fee Schedule. IEX believes this proposed rule change will eliminate any possible confusion about whether Members can qualify for the IEMM discounts.

## 2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b) of the Act<sup>13</sup> in general, and furthers the objectives of Sections 6(b)(4) and

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<sup>10</sup> Supplementary Material .01 to Rule 11.170 provides a limited exception to the requirement that a Member must be a registered IEX Market Maker in all securities listed on IEX if (i) a Member does not act as a market maker in one or more IEX-listed securities on any other national securities exchange, and (ii) the Market Maker provides documentation, satisfactory to IEX Regulation, substantiating that such Member is unable to act as a market maker in one or more particular securities listed on IEX (a) in order to comply with specified legal or regulatory requirements, or (b) operational restrictions not exceeding 90 calendar days from the date the security first lists on the Exchange.

<sup>11</sup> See IEX Rule 11.170.

<sup>12</sup> IEX announced its listing business exit on September 23, 2019, which was effective on October 7, 2019. See IEX Trading Alert #2019-029 available at: <https://iextrading.com/alerts/#/85>.

<sup>13</sup> 15 U.S.C. 78f.

6(b)(5) of the Act,<sup>14</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using the Exchange's facilities; and to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

The Exchange believes that the proposed rule change is consistent with these principles because it will remove obsolete rule text and fee provisions, thereby avoiding any potential confusion among Members. As noted in the Purpose section, there are no longer any IEX Listed Securities, and it is thus not possible for any Member to qualify for designation as an IEMM and the applicable transaction fee discount. The Exchange further believes that the proposed rule change is reasonable, equitable, and not unfairly discriminatory because the changes will apply equally to all Members.

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. The proposed rule change is not designed to address any competitive issues but simply to remove obsolete rule text and fee provisions to avoid any potential confusion among Members.

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

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<sup>14</sup> 15 U.S.C. 78f(b)(4)-(5).

### Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii)<sup>15</sup> of the Act.

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)<sup>16</sup> 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:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-IEX-2020-02 on the subject line.

#### Paper Comments:

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

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<sup>15</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>16</sup> 15 U.S.C. 78s(b)(2)(B).

All submissions should refer to File Number SR-IEX-2020-02. 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, on official business days between the hours of 10:00 a.m. and 3:00 p.m. 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](http://www.iextrading.com). 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-IEX-2020-02 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.<sup>17</sup>

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<sup>17</sup> 17 CFR 200.30-3(a)(12).

Exhibit 5 – Text of Proposed Rule Change

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

CHAPTER 11. TRADING RULES

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Rule 11.170. Reserved[Market Quality Incentive Programs

(a) IEX Enhanced Market Maker (“IEMM”) Program.

- (1) A Member may be designated as an IEMM if:
  - (A) One or more of its MPIDs has a displayed order entered in a principal capacity of at least one round lot on the Exchange:
    - (i) At the NBB or the NBO, or both the NBB and NBO, for an average of at least 20% of Regular Market Hours (the “NBBO Quoting Percentage”); and/or
    - (ii) At the greater of 1 MPV or 0.03% away from the NBBO (or more aggressive) for an average of at least 75% of Regular Market Hours (the “Depth Quoting Percentage”);
  - (B) The Member is a registered IEX Market Maker pursuant to Rule 11.150 in all securities listed on IEX (except pursuant to Supplementary Material .01 to this Rule); and
  - (C) The Member satisfies the requirements of paragraphs (A)-(B) above for each security listed on IEX over the course of the month that the security is listed on IEX.
- (2) Calculation of Quoting Requirements.
  - (A) NBBO Quoting Percentage. A Member’s NBBO Quoting Percentage is calculated by determining the average percent of time the Member is at the NBB or the NBO, or both the NBB and NBO, in each IEX-listed security during Regular Market Hours over the course of the month. On a monthly basis, IEX will determine whether a Member satisfied the NBBO Quoting Percentage for each IEX-listed security by calculating the following:
    - (i) The “NBB Quoting Time” is calculated by determining the aggregate amount of time that one or more of a Member’s MPIDs has a displayed order entered in a principal capacity of at least one

round lot in each IEX-listed security resting at the NBB during Regular Market Hours of each trading day for a calendar month that such security is listed on IEX;

- (ii) The “NBO Quoting Time” is calculated by determining the aggregate amount of time that one or more of a Member’s MPIDs has a displayed order entered in a principal capacity of at least one round lot in each IEX-listed security resting at the NBO during Regular Market Hours of each trading day for a calendar month that such security is listed on IEX; and
- (iii) The “NBBO Quoting Percentage” is calculated for each IEX-listed security by adding the security’s NBB Quoting Time to the NBO Quoting Time and dividing the resulting sum by two (2), and then dividing the resulting quotient by the total amount of time during the Regular Market Session that the IEX-listed security was listed on IEX and not subject to a halt or pause in trading pursuant to IEX Rule 11.280 over the course of the calendar month.

(B) Depth Quoting Percentage. A Member’s Depth Quoting Percentage is calculated by determining the average percent of time the Member is at the defined percentage away from the NBBO (or more aggressive) in each IEX-listed security during Regular Market Hours over the course of the month. On a monthly basis, IEX will determine whether a Member satisfied the Depth Quoting Percentage for each IEX-listed security by calculating the following:

- (i) The “Bid Depth Quoting Time” is calculated by determining the aggregate amount of time that one or more of a Member’s MPIDs has a displayed order entered in a principal capacity of at least one round lot in each IEX-listed security resting at the greater of 1 MPV or 0.03% away from the NBB (or more aggressive) during Regular Market Hours of each trading day for a calendar month that such security is listed on IEX;
- (ii) The “Offer Depth Quoting Time” is calculated by determining the aggregate amount of time that one or more of a Member’s MPIDs has a displayed order entered in a principal capacity of at least one round lot in each IEX-listed security resting at the greater of 1 MPV or 0.03% away from the NBO during Regular Market Hours of each trading day of a calendar month that such security is listed on IEX;

and

- (iii) The "Depth Quoting Percentage" is calculated for each IEX-listed security by adding the security's Bid Depth Quoting Time to the Offer Depth Quoting Time and dividing the resulting sum by two (2), and then dividing the resulting quotient by the total amount of time during the Regular Market Session that the IEX-listed security was listed on IEX and not subject to a halt or pause in trading pursuant to IEX Rule 11.280 over the course of the calendar month.
- (3) If the Exchange determines that, pursuant to paragraph (2) above, a Member satisfied the requirements of paragraphs (1)(A)-(C) above, IEX will reduce the fee charged per share executed on such Members':
- (i) Non-displayed executions that either provide or take liquidity in securities priced at or above \$1.00 by the amount that corresponds with the tier(s) under which the Member qualifies as an IEMM, subject to any applicable Depth Tier aggregate monthly savings cap, as set forth below (the "Standard Match Fee Discount");
  - (ii) Displayed executions that either provide or take liquidity in securities priced at or above \$1.00 by the amount that corresponds with the tier(s) under which the Member qualifies as an IEMM, subject to any applicable Depth Tier aggregate monthly savings cap, as set forth below (the "Reduced Match Fee Discount"); and
  - (iii) Executions that take liquidity in securities priced at or above \$1.00 with a buy order that is executable at the NBO or a sell order that is executable at the NBB after accounting for the order's limit (if any), peg instruction (if any), market conditions, and all applicable rules and regulations, by the amount that corresponds with the tier(s) under which the Member qualifies as an IEMM, subject to any applicable Depth Tier aggregate monthly savings cap, as set forth below (the "Spread-Crossing Eligible Remove Fee Discount").

If a Member qualifies under both the Inside Tier and the Depth Tier, any earned Standard Match Fee Discount, Reduced Match Fee Discount, and Spread-Crossing Eligible Remove Fee Discount will be aggregated and applied to such Members' executions subject to the Standard Match Fee, or Reduced Match Fee, or Spread-Crossing Eligible Remove Fee in securities priced at or above \$1.00, subject to the applicable Depth Tier aggregate monthly savings cap.

<b>IEMM Tier</b>	<b>Standard Match Fee Discount</b>	<b>Reduced Match Fee Discount</b>	<b>Spread-Crossing Eligible Remove Fee Discount</b>
Inside Tier	\$0.0001	\$0.0001	\$0.0001
Depth Tier	\$0.0001 (up to \$20,000.00 in aggregate savings, per month, inclusive of Reduced Match Fee Discount and Spread-Crossing Eligible Remove Fee Discount savings)	\$0.0001 (up to \$20,000.00 in aggregate savings, per month, inclusive of Standard Match Fee Discount and Spread-Crossing Eligible Remove Fee Discount savings)	\$0.0001 (up to \$20,000.00 in aggregate savings, per month, inclusive of Standard Match Fee Discount and Reduced Match Fee Discount savings)

••• Supplementary Material •••

.01 A Member that is not a registered IEX Market Maker pursuant to Rule 11.150 in all securities listed on IEX (as required by subparagraph (a)(1)(B)) may still be designated as an IEMM if (i) a Member does not act as a market maker in one or more IEX-listed securities on any other national securities exchange, and (ii) the Market Maker provides documentation, satisfactory to IEX Regulation, substantiating that such Member is unable to act as a market maker in one or more particular securities listed on IEX (a) in order to comply with specified legal or regulatory requirements, or (b) operational restrictions not exceeding 90 calendar days from the date the security first lists on the Exchange. The documentation must specify the length of time such legal, regulatory requirement(s), or operational restriction is anticipated to persist.

.02 If a Member satisfies the requirement of subparagraph (a)(1)(B) by registering as a Market Maker pursuant to Rule 11.150 in all securities listed on IEX after the first trading day of the calendar month, and remains registered for the remainder of the month, such Member remains eligible for designation as an IEMM if the Member otherwise satisfies the conditions of subparagraphs (a)(1)(A) and (a)(1)(C).

.03 For purposes of determining the percentage of time during the Regular Market Session that a Member satisfied the NBBO Quoting Percentage and/or the Depth Quoting Percentage pursuant to subparagraph (a)(1)(A), the Exchange excludes the aggregate amount of time that a security is subject to a halt or pause in trading pursuant to IEX Rule 11.280.]

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## Investors Exchange Fee Schedule

Effective February 4, 2020[August 28, 2019]

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### Fee Code Modifiers:

Additional Fee Codes	Description	Fee
S	Internalization Fee: Member executes against resting liquidity provided by such Member	FREE
Q	Crumbing Quote Remove Fee: removes liquidity during periods of quote instability at or within the NBBO above the CQRF Threshold, measured on an MPID basis <sup>1</sup>	\$0.0030
D	Discounted Single-Price Cross Fee: displayed interest resting on the Continuous Book executes in a cross or auction	FREE
R <sup>2</sup>	Retail Order Fee: Retail order removes liquidity	FREE
A	Retail Liquidity Provider Order Fee: Member adds liquidity against a Retail order with a Retail Liquidity Provider order	FREE

### [Market Quality Incentive Programs:

IEX Enhanced Market Maker ("IEMM Rates"): Unless an IEX Enhanced Market Maker ("IEMM") pursuant to Rule 11.170(a) otherwise qualifies for a lower rate, IEMMs will receive the following discounts for executions during continuous trading in securities priced at or above \$1.00. If a Member qualifies under both the Inside Tier and the Depth Tier, any earned Standard Match Fee Discount, Reduced Match Fee Discount, and Spread-Crossing Eligible Remove Fee Discount will be aggregated and applied to such Member's executions subject to the Standard Match Fee, Reduced Match Fee, or Spread-Crossing Eligible Remove Fee in securities priced at or above \$1.00, subject to the applicable Depth Tier aggregate monthly savings cap of \$20,000.00.<sup>3</sup>

IEMM Tier	Standard Match Fee Discount	Reduced Match Fee Discount	Spread-Crossing Eligible Remove Fee Discount
Inside Tier	\$0.0001	\$0.0001	\$0.0001
Depth Tier	\$0.0001	\$0.0001	\$0.0001

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**Fee Code Combinations and Associated Fees:**

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**Footnotes**

- <sup>1</sup> **Crumbling Quote Remove Fee:** Executions with Fee Code Q that exceed the CQRF Threshold are subject to the Crumbling Quote Remove Fee identified in the Fee Code Modifiers table. Executions with Fee Code Q that do not exceed the CQRF Threshold are subject to the fees identified in the Fee Codes and Associated Fees table.
- <sup>2</sup> **Fee Code R:** Fee Code R applies only to a Retail order submitted by an IEX Retail Member Organization that (i) satisfies the criteria set forth in IEX Rules 11.190(b)(15) and 11.232(a)(1) and (ii) is a Discretionary Peg order or Midpoint Peg order with a Time-in-Force of IOC or FOK only eligible to trade at the Midpoint Price.
- [<sup>3</sup> **Aggregation of activity of affiliated Members:**
- a. For purposes of applying the provisions of Rule 11.170(a), a Member may request that the Exchange aggregate its activity with activity of such Member's affiliated Members.
    1. A Member requesting aggregation of affiliate activity is required to certify to the Exchange the affiliate status of Members whose activity it seeks to aggregate prior to receiving approval for aggregation, and inform the Exchange immediately of any event that causes an entity to cease being an affiliate. The Exchange shall review available information regarding the entities and reserves the right to request additional information to verify the affiliate status of an entity. The Exchange shall approve a request unless it determines that the certification is not accurate.
    2. If two or more Members become affiliated on or prior to the sixteenth day of a month and submit the required request for aggregation on or prior to the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of that month. If two or more Members become affiliated after the sixteenth day of a month or submit a request for aggregation after the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of the next calendar month.
  - b. For purposes of applying the provisions of Rule 11.170(a), references to an IEMM shall include the Member and any of its affiliates that have been approved for aggregation.
  - c. The term "affiliate" shall mean any Member under 75% common ownership or control of that Member.]

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