D-LIMIT

Designed to improve displayed liquidity for all market participants

Overview

Discretionary Limit (D-Limit) behaves like a regular limit order, except when the IEX Signal (i.e., the Crumbling Quote Indicator or CQI) predicts the price is likely to change.[1] This triggers D-Limit orders to automatically reprice to 1 MPV (minimum price variant, $0.01 for most stocks) outside that level.

Repricing Details

When the CQI predicts that the price is likely to change (e.g., the NBB is moving down or the NBO is moving up), D-Limit buy (sell) orders are repriced to 1 MPV below (above) the CQI price level. Under normal trading conditions, the order stays at the new price unless the CQI is triggered again.

Incoming orders can still interact with D-Limit orders after they have been repriced if their limits are priced equal to or more aggressive than the D-Limit order's new price.

D-Limit Workflow Example

D-Limit Workflow - CQI Triggered after Order is Booked
Market is 10.00x11.00

1. New Order
D-Limit Buy @ 10.00

2. Order Ack
D-Limit Buy @ 10.00

3. CQI
Triggered @10.00

4. D-Limit Buys
≥ 10.00 Repriced to 9.99

5. Restatement
D-Limit Buy @ 9.99

6. Order Cancellation

FIX Tag Reference 1. 18=j   2. 9690=10.00   5. 150=D, 378=3, 9690=9.99   6. 35=F

This diagram details a base case messaging flow for a client sending a D-Limit order to IEX Exchange, the Signal (i.e., Crumbling Quote Indicator or CQI) triggering, repricing of the order, and finally a client cancellation of the order.

[1] While IEX Exchange endeavors to utilize data and calculations that it believes to be reliable, IEX Exchange cannot ensure the timeliness, accuracy, reliability or completeness of any data or calculations, including our measure of when we determine the quote to be crumbling.

Optional: Cancel or Re-Price Instruction

D-Limit orders can be submitted with an optional cancel or re-price instruction, which enables the order to be automatically canceled or re-priced to the less aggressive of the order's limit price or the NBB (for buys) and NBO (for sells). The instruction will be applied if the D-Limit order has been repriced by the IEX Signal and if the order is resting outside the NBBO ten (10) milliseconds after the IEX Signal determination.

D-Limit Technical Details

New Order Message

Tag	Field Name	Required	Details
18	ExecInst	Y	j=Discretionary Limit (executed on IEX)
40	OrdType	Y	2=Limit order
110	MinQty	N	Only non-displayed orders (111=0) may have a MinQty. Displayed or Reserve Discretionary Limit orders submitted with a MinQty will be rejected.
111	MaxFloor	N	Quantity to display (for a reserve order). If not populated, order is fully displayed. If MaxFloor (111) = 0, limit order is non-displayed.
9500	MinQtyInstruction	N	C=Composite M=Minimum Execution Size with Cancel Remaining; once LeavesQty < MinQty, order will cancel A=Minimum Execution Size with AON Remaining; once LeavesQty < MinQty, Open shares become All or None

Only valid if 110 (MinQty) is sent. Will not be echoed back in execution reports. Not changeable via Cancel/Replace. |
| 20050 | CxlPxBack | N | Behavior to enforce upon expiration of a set timer

N=No Action C=Cancel order U=Re-price to the less aggressive of the order's limit price or the NBB (for buys) and NBO (for sells)

If CxlPxBack is omitted the default port session behavior will be enforced |

Restatement Message

Clients may opt-out of receiving a Restatement Message by submitting an Equities Port Request Form with the desired settings.

Tag	Field Name	Details
11	ClOrdID	Unique identifier, per session, per trading day for Order as assigned by the Member
150	ExecType	D=Restated
378	ExecRestatementReason	3=Repricing of order
9690	EffectiveLimitPrice	New effective limit price of the order due to CQI price change

Acknowledgement Message

Tag	Field Name	Details
9690	EffectiveLimitPrice	Effective limit price will always be reported

Queue Priority

	Limit Price = Working Price
Quantity Same	KEEP
Quantity Up	LOSE
Quantity Down	KEEP

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More Information

- [IEX Rule Filing SR-IEX-2019-15](#)
- [IEX FIX Specification](#)
- [Equities Port Request Form](#)
- [Trading Alerts](#)