

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 90

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2025 - * 37

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"/>
--	---	--	--	--	---

Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <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
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

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

Proposed rule change to adopt common criteria and procedures for halting and resuming trading in equity securities

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 of 1934, Investors' Exchange LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 12/18/2025 (Title *)

By Nathaniel Kolodny (Name *) Lead Regulation Counsel

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

NATHANIEL KOLODNY
Digitally signed by NATHANIEL KOLODNY
Date: 2025.12.18 12:07:12 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add Remove View

SIP Halt Filing 19b4 - SEC filing.docx

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

SIP Halt Finding Ex 1 .docx

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 Advanced Notice by Clearing Agencies *

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 2- Notices, Written Comments, Transcripts, Other Communications

Add Remove View

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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

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 Sent As Paper Document

Exhibit 4 - Marked Copies

Add Remove View

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

SIP Halt Filing Ex 5 - SEC filing.docx

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

Add Remove View

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.

Text of the 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 amendment to adopt common criteria and procedures for halting and resuming trading in equity securities in the event of regulatory or operational issues, reorganize the text of the current relevant rules, and make conforming changes to related rules.

The Exchange has designated this proposed 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(f)(6) thereunder.⁴

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and 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

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.

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:

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 of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(a) Purpose

The Exchange is a participant of the transaction reporting plan⁵ governing Tape C Securities ("Nasdaq UTP Plan")⁶, and the transaction reporting plan governing Tape A and B Securities ("CTA Plan")⁷ (collectively, with the CQ Plan⁸, the "SIP Plans"). In tandem with all other national securities exchanges that trade equities securities, and in

⁵ Each transaction reporting plan has a securities information processor ("SIP") responsible for consolidation of information for the plan's securities, pursuant to Rule 603 of Regulation NMS.

⁶ Nasdaq UTP Plan refers to the transaction reporting plan for Nasdaq-listed securities that is known as The Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis.

⁷ CTA Plan refers to the transaction reporting plan for NYSE-listed securities (Tape A) and all non-NYSE or non-Nasdaq listed securities (Tape B).

⁸ CQ Plan refers to the plan for the dissemination on a current and continuous basis of bid and asked quotations and quotation sizes of Tape B and Tape C securities.

conjunction with the adoption of amendments to the Nasdaq UTP Plan⁹ and comparable amendments to the CTA and CQ Plans¹⁰, which were proposed by the Participants of both plans (collectively, the “SIP Plan Amendments”), the Exchange hereby proposes to amend its current Rules 11.271 and 11.280 to integrate several definitions and concepts from the SIP Plan Amendments and to reorganize several rules in light of the Exchange’s experience with applying the rules as a national securities exchange.¹¹ The rules set forth the Exchange’s authority to halt trading under various circumstances.

Although IEX’s rules relating to listing of securities remain in effect, IEX is currently not acting in the capacity of a “Primary Listing Market”, as defined in the Amended UTP and Amended CTA/CQ Plans with respect to any security, and therefore this proposal provides the Exchange with more limited authority to declare Regulatory

⁹ On February 11, 2021, the Nasdaq UTP Plan participants filed Amendment 50 to the Plan, to revise provisions governing regulatory and operational halts. See Letter from Robert Brooks, Chairman, UTP Operating Committee, Nasdaq UTP Plan, to Vanessa Countryman, Secretary, Securities and Exchange Commission, dated February 11, 2021. The Nasdaq UTP Plan subsequently filed two partial amendments to the 50th Amendment, on March 31, 2021 and on April 7, 2021. The Commission approved the amendments on May 28, 2021. See Securities Exchange Act Release 92071 (May 28, 2021), 86 FR 29846 (June 3, 2021) (S7-24- 89) (the “Amended UTP Plan”). The Amended Nasdaq UTP Plan includes provisions requiring participant self-regulatory organizations (“SROs”) to honor a Regulatory Halt declared by the Primary Listing Market.

¹⁰ On February 3, 2021, the CTA/CQ Plan participants (collectively with the Nasdaq UTP Plan participants referred to herein as “Participants”) filed Amendment 36 to the Second Restatement of the CTA Plan and Amendment 27 to the Restated CQ Plan, to revise provisions governing regulatory and operational halts. See Letter from Robert Books, Chair, CTA/CQ Operating Committee, to Vanessa Countryman, Secretary, Securities and Exchange Commission, dated February 3, 2021. The Commission approved the amendments on May 28, 2021 (the “Amended CTA/CQ Plan”). See Securities Exchange Act Release No. 92070 (May 28, 2021), 86 FR 29849 (June 3, 2021) (SR-CTA/CQ-2021-01).

¹¹ This proposed rule change is based on similar rule changes filed by several exchanges that do not operate Primary Listing Markets. See Securities Exchange Act Release Nos. 96574 (December 22, 2022), 87 FR 80213 (December 29, 2022) (SR-Phlx-2022-49); 97093 (March 9, 2023), 88 FR 16045 (March 15, 2023) (SR-PEARL-2023-11); 97824 (June 29, 2023), 88 FR 43159 (July 6, 2023) (SR-MEMX-2023-11); 103698 (August 13, 2025), 90 FR 40108 (August 18, 2025) (SR-NYSENAT-2025-17).

Halts than exchanges that operate as a Primary Listing Market.¹²

As part of this proposed rule change, IEX, like other exchanges, is proposing to move its rules relating to Trading Halts Due to Extraordinary Market Volatility (the Market Wide Circuit Breaker or “MWCB”), currently IEX Rules 11.280(a)-(d) and (i)-(k), to Rule 11.271. IEX is also proposing to delete the current text in its current Rule 11.271 (Trading Halts), because those rules are being replaced with the rules in proposed Rule 11.280 (Limit Up-Limit Down Plan and Trading Halts on the Exchange). These changes will better align IEX’s MWCB, Limit Up-Limit Down Plan and Trading Halts rules with those of other exchanges for clarity and organizational purposes.¹³ As described below, IEX also proposes to remove Rule 16.170 and make conforming edits related to these changes in Rules 11.230, 11.231, 11.350, 16.111, and 16.160.

Background

As a Participant in the SIP Plans, the Exchange worked with the other Participants to establish and implement common criteria and procedures for halting and resuming trading in equity securities in the event of regulatory or operational issues. These common standards were designed so that market events which might impact multiple exchanges are handled in a consistent and transparent manner. The Exchange believes that implementation of these common standards will promote the SROs’ role in maintaining fair and orderly markets, protecting investors and furthering the public

¹² See, e.g., Securities Exchange Act Release Nos. 95069 (June 8, 2022), 87 FR 36018 (June 14, 2022) (SR-NASDAQ-2022-017), 102810 (April 10, 2025), 90 FR 16041 (April 16, 2025) (SR-NYSEAMER-2025-19), 103356 (June 30, 2025) (SR-NYSE-2025-21), 103476 (July 16, 2025), 90 FR 34314 (July 21, 2025) (SR-NYSEARCA-2025-50).

¹³ See, e.g., MEMX Rules 11.22 (Trading Halts Due to Extraordinary Market Volatility) and 11.23 (Limit Up-Limit Down Plan and Trading Halts on the Exchange).

interest. Notwithstanding the development of these common standards, the Exchange will retain discretion in certain instances as to whether and how to handle halts, as discussed below.

Every U.S.-listed equity security has its primary listing on a specific stock exchange that is responsible for a number of regulatory functions.¹⁴ These include confirming that the security continues to meet the exchange's listing standards, monitoring trading in that security and taking action to halt trading in the security when necessary to protect investors and to ensure a fair and orderly market. While these core responsibilities remain with the Primary Listing Market, trading in the security can occur on multiple exchanges that have unlisted trading privileges for the security or in the over-the-counter market, regulated by the Financial Industry Regulatory Authority, Inc. ("FINRA").

The exchanges and FINRA are responsible for monitoring activity on the markets over which they have oversight but also must adhere to the regulatory decisions made by the Primary Listing Market with respect to its listed securities. For example, a venue trading a security pursuant to unlisted trading privileges must halt trading in that security during a Regulatory Halt¹⁵, which is a defined term under the proposed rules, and may only trade the security once the Primary Listing Market has cleared the security to resume

¹⁴ IEX is proposing to adopt Primary Listing Market as a new definition having the same meaning as in the Amended Nasdaq UTP Plan, Section X(A)(8) and in the Amended CTA Plan Section XI(a)(i)(H). Each of those sections define Primary Listing Market as "the national securities exchange on which an Eligible Security is listed. If an Eligible Security is listed on more than one national securities exchange, Primary Listing Market means the exchange on which the security has been listed the longest."

¹⁵ See proposed Rule 11.280(a)(10).

trading. While the Exchange and the other SROs intend to harmonize certain aspects of their trading halt rules, other elements of the rules will continue to be unique to each market. The Exchange believes that this is appropriate to reflect the different products listed or traded on each market. The Exchange will implement all of the changes proposed herein in conjunction with other SROs implementing the necessary changes. The Exchange will publish a trading alert at least 30 days prior to implementing the proposed changes.

Definitions

The Exchange proposes adding a new definition for “UTP Exchange Traded Products”¹⁶ to Rule 1.160 (Definitions), which will match the definitions used by other exchanges.¹⁷ Additionally, the Exchange proposes adding a definitions section as Rule 11.280(a) to consolidate the various definitions that will be used with respect to trading halts, several of which are taken from the Amended Nasdaq UTP Plan and the Amended CTA Plan after the SIP Plan Amendments (“SIP Plans”). Specifically, the Exchange is also proposing to adopt the following terms from the SIP Plans: “Operating Committee,” “Operational Halt,” “Processor” or “SIP,” “Regular Trading Hours,” “SIP Halt,” and “SIP Halt Resume Time.” The definitions of “UTP Exchange Traded Product,” “Pre-Market Session,” and “Post-Market Session” are included in the definitions section with cross-references to their current and proposed definitions in Rule 1.160.¹⁸

¹⁶ See proposed Rule 1.160(rr). The Exchange also proposes to renumber current Rule 1.160(rr), which defines the term “UTP Security” to be Rule 1.160(ss).

¹⁷ See, e.g., MEMX Rule 1.5(kk).

¹⁸ See Rule 1.160(z) and proposed Rule 1.160(rr).

The Exchange also proposes to add definitions of “Trust Shares,” “Index Fund Shares,” “Managed Fund Shares,” and “Trust Issued Receipts,” as subcategories to the defined term UTP Exchange Traded Product, and those terms will have the same meanings as those found in the rules of other exchanges, which were adopted in response to the SIP Plan Amendments.¹⁹

As described above, the Exchange proposes to adopt the definition of “Primary Listing Market” that is found in the SIP Plans.²⁰ As is currently the case under the SIP Plans, all Regulatory Halt decisions are made by the market on which the security has its primary listing. This reflects the regulatory responsibility that the Primary Listing Market has for fair and orderly trading in the securities that list on its market and its direct access to its listed companies, which are required to advise it of certain events and maintain lines of communication with the Primary Listing Market. The proposed definition makes clear that if a security is listed on more than one market (a dually-listed security), the Primary Listing Market means the exchange on which the security has been listed the longest. This provision matches language used in the definition of “Primary Listing Exchange” in the Limit-Up Limit-Down Plan and will avoid conflict in the event of dually-listed securities.

The Exchange is also proposing to adopt a definition of the term “Extraordinary Market Activity”²¹ that would represent a modified version of the term’s definitions in the

¹⁹ See Nasdaq PHLX Rules 3100(b)(1)(A)-(D); MEMX Rules 11.22(a)(1)(A)-(D).

²⁰ See *supra* note 14.

²¹ The term “Extraordinary Market Activity” was never specifically defined in IEX’s rules, although it was described by way of a few examples in the rules IEX now proposes to delete as part of this filing. See IEX Rule 11.280(g)(6)(A) and (B).

Amended UTP Plan and the Amended CTA Plan,²² but which is consistent with recent rule filings of other exchanges.²³ Specifically, the Exchange proposes to define “Extraordinary Market Activity” without the concept of a “market-wide basis” because the term would only be used in the Exchange’s rules as a basis for the Exchange. Thus, the Exchange proposes to define Extraordinary Market Activity as follows:

a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, transaction information, or regulatory messages for a sustained period.²⁴

The third set of new proposed definitions would be specific to events involving the SIP. Specifically, the Exchange is also proposing to adopt the following terms from the SIP Plans: “Operating Committee,” “Operational Halt,” “Processor” or “SIP,” “Regular Trading Hours,” “SIP Halt,” and “SIP Halt Resume Time.”

While the Exchange recognizes that many events involving the SIP would also meet the definition of “Extraordinary Market Activity” (as defined in the SIP Plans), the Exchange believes that the critical role of the SIPs in market infrastructure factors in favor

²² See Amended Nasdaq UTP Plan Section X.A.1; Amended CTA Plan, Section XI(a)(i)(H).

²³ See Securities Exchange Act Release No. 97824 (June 29, 2023), 88 FR 43159 (July 6, 2023) (SR-MEMX-2023-11).

²⁴ See proposed Rule 11.280(a)(2).

of additional guidance on how such events will be handled. The definitions of “SIP Halt Resume Time” and “SIP Halt” are intended to provide additional guidance to address this subset of potential market issues. In addition, the Exchange is proposing to define terms related to SIP governance needed in order to understand these definitions:

- “Processor” or “SIP”²⁵ have the same meaning as the terms set forth in the SIP Plans, namely the entity selected by the Participants to perform the processing functions set forth in the Plan. These terms may be used to apply to the processor for transactions in Tape A and B securities or the processor for transactions in Tape C securities.
- “SIP Plan”²⁶ means each of the national market system plans governing the SIPs, as applicable. Specifically, SIP Plan refers to any or all of the following national market system plans governing the collection, consolidation, and dissemination of quotation and transaction information for NMS stocks: i) the “Nasdaq UTP Plan”; ii) the Consolidated Tape Association and Consolidated Quotation Plan (“CTA/CQ Plan”); or the “CT Plan”.²⁷
- “Operating Committee”²⁸ has the same meaning as in each respective SIP Plan.

The Exchange is proposing to adopt a category of Regulatory Halt, called a “SIP Halt,”²⁹ which will have the same meaning as that term is defined in the SIP Plans, namely “a Regulatory Halt to trading in one or more securities that a Primary Listing Market declares in the event of a SIP Outage or Material SIP Latency.”³⁰ This new category of

²⁵ See proposed Rule 11.280(a)(9).

²⁶ See proposed Rule 11.280(a)(3).

²⁷ The CT Plan was approved in November 2024 to become the successor to and replacement for the Nasdaq UTP Plan and the CTA/CQ Plans. See Securities Exchange Act Release No. 101672 (November 20, 2024), 89 FR 94924 (November 29, 2024) (File No. 4-757). The CT Plan is expected to begin disseminating quote and trade data in the second quarter of 2027. See CT Plan FAQs, available at <https://thectplanllc.com/faqs/>.

²⁸ See proposed Rule 11.280(a)(3).

²⁹ See proposed Rule 11.280(a)(12).

³⁰ See Amended Nasdaq UTP Plan Section X(A)(11); Amended CTA Plan, Section XI(a)(i)(K).

Regulatory Halt will address situations where the Primary Listing Market declares a Regulatory Halt in one or more securities as a result of a SIP outage³¹ or material SIP latency.³²

Fourth, the Exchange proposes to add a definition of “Regulatory Halt,”³³ which would be a new defined term that incorporates the Exchange’s existing regulatory halt authority as well as the proposed new regulatory halt authority. The Exchange proposes that the term would have the same meaning as in the SIP Plans as follows:

a halt declared by the Primary Listing Market in trading in one or more securities on all Trading Centers for regulatory purposes, including for the dissemination of material news, news pending, suspensions, or where otherwise necessary to maintain a fair and orderly market. A Regulatory Halt includes a trading pause triggered by Limit Up Limit Down, a halt based on Extraordinary Market Activity, a trading halt triggered by a Market-Wide Circuit Breaker, and a SIP Halt.³⁴

The Exchange proposes to add a definition of “Operational Halt,”³⁵ which is defined as having the same meaning as in the SIP Plans.³⁶ Specifically, the Exchange is

³¹ A SIP outage means a situation in which the Processor has ceased, or anticipates being unable, to provide updated and/or accurate quotation or last sale price information in one or more securities for a material period that exceeds the time thresholds for an orderly failover to backup facilities established by mutual agreement among the Processor, the Primary Listing Market for the affected securities, and the Operating Committee unless the Primary Listing Market, in consultation with the Processor and the Operating Committee, determines that resumption of accurate data is expected in the near future. See Amended Nasdaq UTP Plan, Section X(A)(13); Amended CTA Plan, Section XI(a)(i)(M).

³² A material SIP latency means a delay of quotation or last sale price information in one or more securities between the time data is received by the Processor and the time the Processor disseminates the data over the Processor’s vendor lines, which delay the Primary Listing Market determines, in consultation with, and in accordance with, publicly disclosed guidelines established by the Operating Committee, to be (a) material and (b) unlikely to be resolved in the near future. See Amended Nasdaq UTP Plan, Section X(A)(5); Amended CTA Plan, Section XI(a)(i)(E).

³³ See proposed Rule 11.280(a)(10).

³⁴ Id.

³⁵ See proposed Rule 11.280(a)(5).

³⁶ See Amended Nasdaq UTP Plan, Section X(A)(7); Amended CTA Plan, Section XI(a)(i)(G).

proposing to define Operational Halt to mean a halt in trading in one or more securities only on the market declaring the halt and is not a Regulatory Halt. An Operational Halt is effective only on the Exchange; other markets are not required to halt trading in the impacted securities. In practice, the Exchange has always had the capacity to implement operational halts in specified circumstances.³⁷ The proposed change would provide greater clarity on when an Operational Halt may be implemented and the process for halting and resuming trading in the event of an Operational Halt. An Operational Halt is not a Regulatory Halt.

Regulatory Halt

Proposed Rule 11.280(b)(1)(A)(i)-(iv) includes four situations in which the Exchange must halt trading pursuant to a Regulatory Halt: under the Limit Up-Limit Down Plan, pursuant to Extraordinary Market Volatility (Market-Wide Circuit Breakers), when the Primary Listing Market declares a SIP halt, or when the Primary Listing Market declares a trading halt based on Extraordinary Market Activity, as defined in the SIP Plans. Proposed Rule 11.280(b)(1)(A)(i) retains without substantive modification the existing rule with respect to the Limit Up-Limit Down Plan (current Rule 11.280(e)). The Exchange, currently acting as a non-Primary Listing Market, does not itself declare trading pauses pursuant to the Limit Up-Limit Down Plan, but rather implements such pauses declared by Primary Listing Markets. The Exchange proposes to make clear in Rule 11.280(b)(1)(A)(ii) that a trading halt pursuant to Extraordinary Market Volatility (Market-Wide Circuit Breakers), as is described in proposed Rule 11.271, constitutes a Regulatory Halt. The

³⁷ See Rule 11.110(c) and Rule 11.280(d).

Exchange would also add subsections concerning Regulatory Halts declared by Primary Listing Markets based on a SIP halt or Extraordinary Market Activity in Rule 11.280(b)(1)(A)(iii). As is the case under the current Rule 11.280(e), the Exchange would honor a Regulatory Halt. The Exchange proposes to add Rule 11.280(b)(1)(A)(iv), which states that the Exchange will halt trading for any security traded on the Exchange when the Primary Listing Market declares a Regulatory Halt for any such security. The Exchange also proposes to add Rule 11.280(b)(1)(A)(iv)(a), which makes clear that the start time of a Regulatory Halt is the time the Primary Listing Market declares the Regulatory Halt, regardless of whether communications issues impact the dissemination of notice of the Halt. This provision is consistent with the SIP Plans³⁸ and would provide market participants with certainty on the official start time of the Regulatory Halt. Under the proposed rule, the start time is fixed by the Primary Listing Market; it is not dependent on whether notice is disseminated immediately. This will avoid possible disagreement if the Regulatory Halt time were tied to dissemination or receipt of notification, which may occur at different times. The Exchange recognizes that in situations where communication is interrupted, trades may continue to occur until news of the Regulatory Halt reaches all trading centers. However, a fixed “official” Regulatory Halt time will allow SROs to revisit trades after the fact and determine in a consistent manner whether specific trades should stand.

Resumption of Trading After a Regulatory Halt

The SROs have jointly developed processes to govern the resumption of trading in

³⁸ See Amended Nasdaq UTP Plan X(D)(1) and Amended CTA Plan Section XI(a)(iv)(A).

the event of a Regulatory Halt. While the actual process of re-launching trading will remain unique to each exchange, the proposed rule would harmonize certain common elements of the reopening process that would benefit from consistency across markets. These common elements include the primacy of the Primary Listing Market in resumption decisions, the requirement that the Primary Listing Market make its determination to resume trading in good faith³⁹, and certain parts of the complex process of reopening trading after a SIP Halt. With respect to a SIP Halt, common elements of the reopening process include the interaction among SROs (including the Primary Listing Market with the SIP), the requirement that the Primary Listing Market terminate a SIP Halt with a notification that specifies a SIP Halt Resume Time, the minimum quoting times before resumption of trading, the cutoff time after which trading would not resume during Regular Trading Hours, and the time when trading may resume if the Primary Listing Market does not open a security within the amount of time specified in its rules after the SIP Halt Resume Time.

Proposed Rule 11.280(b)(2) provides the process to be followed when resuming trading upon the conclusion of a Regulatory Halt. The new rule, which incorporates Sections X(E) and X(F) of the Amended Nasdaq UTP Plan and Sections XI(a)(v) and XI(a)(vi), is divided into the following two subsections concerning resumption of trading: (A) after a Regulatory Halt other than a SIP Halt; and (B) after a SIP Halt. Proposed Rule 11.280(b)(2)(A)(i) provides that, for a Regulatory Halt other than a SIP Halt, the Exchange may resume trading subject to the Regulatory Halt after the Exchange receives notification from the Primary Listing Market that the Regulatory Halt has been terminated. The

³⁹ See Amended Nasdaq UTP Plan X(E)(1) and Amended CTA Plan Section XI(a)(v)(A).

Exchange does not conduct halt crosses and, therefore, the resumption of trading in these securities will occur once notice from the Primary Listing Market is received. Proposed Rule 11.280(b)(2)(B)(i) provides that, for securities subject to a SIP Halt initiated by another exchange that is the Primary Listing Market, during Regular Trading Hours, the Exchange may resume trading after trading has resumed on the Primary Listing Market or notice has been received from the Primary Listing Market that trading may resume. During Regular Trading Hours, if the Primary Listing Market does not open a security within the amount of time specified by the rules of the Primary Listing Market after the SIP Halt Resume Time, the Exchange may resume trading in that security. Outside Regular Trading Hours, the Exchange may resume trading immediately after the SIP Halt Resume Time.⁴⁰ Proposed Rule 11.280(b)(2) is consistent with current practice.

Proposed Rule 11.280(b)(3) retains without substantive modification existing Rule 11.271. Proposed Rule 11.280(b)(3) states that on the occurrence of any Regulatory Halt pursuant to this Rule all outstanding orders in the System will be cancelled, the Exchange will not accept new orders, and at the end of the Regulatory Halt, the Exchange shall re-open the security and again begin accepting orders. Lastly, consistent with Section X(G) of the Nasdaq UTP Plan and Section XI(a)(vii) of the CTA Plan, the Exchange proposes to add Rule 11.280(c), which will more broadly require the Exchange to halt trading of a UTP security if the Primary Listing Market declares a Regulatory Halt in that security, and more specifically, governs trading halts in certain Exchange Traded Products traded on the Exchange pursuant to unlisted trading privileges during pre-market, regular trading hours,

⁴⁰ See Amended Nasdaq UTP Plan X(F)(3) and Amended CTA Plan Section XI(a)(vi)(C).

and post-market sessions.

Operational Halt

The Exchange proposes in Rule 11.280(d) to address Operational Halts, which are non-regulatory in nature and apply only to the exchange that calls the halt. As described above, the Exchange has always had the capacity to implement operational halts and local trading suspensions in specified circumstances, but such halts are not currently referred to as “operational halts” in the Exchange’s rules.⁴¹ As part of the Exchange’s assessment with the other SROs of the halting and resumption of trading, the Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. In part, the proposed change is designed to cover situations similar to those that might constitute a Regulatory Halt, but where the impact is limited to a single market. For example, just as a market disruption might trigger a Regulatory Halt for Extraordinary Market Activity (as defined in the SIP Plans) if it affects multiple markets, so too a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers. Proposed Rule 11.280(d) would authorize the Exchange to implement an

⁴¹ See, e.g., Rule 11.110(c). The Exchange also notes that its proposed Rule 11.280(d) regarding Operational Halts is substantially identical to the rules introduced by other exchanges in their filings responding to the SIP Amendments and is therefore not novel. See supra note 11.

Operational Halt for any security trading on the Exchange:

- if it is experiencing Extraordinary Market Activity⁴² on the Exchange; or
- when otherwise necessary to maintain a fair and orderly market or in the public interest.

Proposed Rule 11.280(d)(2) provides the process for initiating an Operational Halt. Under the proposed rule, on the occurrence of any Operational Halt all outstanding orders in the System will be cancelled. Further, the Exchange must notify the SIP if it has concerns about its ability to collect and transmit Quotation Information or Transaction Reports, or if it has declared an Operational Halt or suspension of trading in one or more Eligible Securities, pursuant to the procedures adopted by the Operating Committee.

Proposed Rule 11.280(d)(3) will clarify how the Exchange resumes trading after an Operational Halt. Proposed Rule 11.280(d)(3)(A) provides that the Exchange would resume trading after an Operational Halt when it determines that trading may resume in a fair and orderly manner consistent with the Exchange's rules. Proposed Rule 11.280(d)(3)(B) provides that orders entered during the Operational Halt will not be accepted. Proposed Rule 11.280(d)(3)(C) provides that trading in a halted security shall resume at the time specified by the Exchange in a notice. Proposed Rule 11.280(d)(3)(C) also specifies that the Exchange will notify all other Participants and the SIP of such an Operational Halt as well as provide notice that an Operational Halt has been lifted using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. If the SIP is unable to disseminate notice of

⁴² "Extraordinary Market Activity" in proposed Rule 11.280(d) would have the meaning proposed by the Exchange, which as noted above is a modified form of the definitions in the SIP Plans.

an Operational Halt or the Exchange is not open for trading, the Exchange will take reasonable steps to provide notice of an Operational Halt, which shall include both the type and start time of the Operational Halt. Each Participant shall continuously monitor communication protocols established by the Operating Committee and the Processor during market hours to disseminate notice of an Operational Halt, and the failure of a Participant to do so shall not prevent the Exchange from initiating an Operational Halt.

Trading Halts Due to Extraordinary Market Volatility

Additionally, the Exchange proposes moving the Trading Halts Due to Extraordinary Market Volatility (MWCB) rules that are currently in Rule 11.280 to their own separate rule, proposed Rule 11.271. As proposed, MWCB halts, which fall under the category of Regulatory Halts, are cross referenced in proposed Rule 11.280(b)(i)(A)(ii). The text of the proposed Rule 11.271 does not materially differ from what is currently in found in IEX Rules 11.280(a)-(d)⁴³ and (i)-(k).⁴⁴ The Exchange believes separating this text from Rule 11.280 is appropriate in order to remain consistent with similar rule filings proposed by other Exchanges.⁴⁵

Conforming Changes to Other Rules

The Exchange proposes to make the following conforming changes to other rules, in addition to any changes described above.⁴⁶ Other conforming edits IEX proposes to

⁴³ These provisions outline the processes related to MWCB halts.

⁴⁴ These provisions outline the processes related to MWCB testing.

⁴⁵ See, e.g., MEMX Rule 11.22(b)(i)(A)(ii), which like proposed IEX Rule 11.280(b)(i)(A)(ii) refers to the separate MWCB rule (MEMX Rule 11.23 and proposed IEX Rule 11.271).

⁴⁶ See, e.g., supra note 16 (describing the proposed addition of a definition for UTP Exchange Traded Products to Rule 1.160 and the renumbering of the rule).

make are as follows:

- In Rule 11.230(a)(3) (Order Execution), add “Plan” at the end of the phrase “Limit Up-Limit Down”. IEX proposes this change so that the Rule Book is consistent in how it refers to the Limit Up-Limit Down Plan.
- In Rule 11.231(e) (Regular Market Session Opening Process for Non-IEX-Listed Securities), replace a reference to Rule 11.271 with a reference to Rule 11.280. The reference is to the authority to reject orders submitted during a trading halt, which under this proposal will now be found in Rule 11.280.
- As described above, IEX proposes to rearrange Rules 11.271 (Trading Halts) and Rule 11.280 (Limit Up-Limit Down Plan and Trading Halts), such that the MWCB rules will move from Rule 11.271, and current rule 11.271 will be replaced with the trading halts rules described above in Rule 11.280.
- In Rule 11.350 (Auctions), change references to Rule 11.280(e) (Limit Up-Limit Down Mechanism) and Rule 11.280(h) (Procedure for Initiating and Terminating a Trading Halt) to refer to Rule 11.280 in general, which contains several rules relating to the Limit Up-Limit Down Plan and corresponding trading halts. Specifically, IEX proposes to make the following changes:
 - In Rule 11.350(a)(1)(E)(i), change the reference to Rule 11.280(e) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(6)(A)(i), change the reference to Rule 11.280(h)(9) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(6)(B), change the reference to Rule 11.280(h)(9) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(7)(A)(i), change the reference to Rule 11.280(h)(9) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(7)(B), change the reference to Rule 11.280(h)(9) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(9)(G), change the reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(9)(H), change the reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.

- In Rule 11.350(a)(9)(I), change the reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.
- In Rule 11.350(d)(2)(D), change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(e), change the references to Rules 11.280(h)(9) and 11.280(g)(1), (4), or (5) (Authority to Initiate Trading Halts) to instead refer to Rule 11.280.
- In Rule 11.350(e)(2)(B)(iii), change the reference to Rule 11.280(h)(8)(C) to instead refer to Rule 11.280.
- In Supplementary Material .01 to Rule 11.350(e), change the two references to Rule 11.280(h)(9) and the one reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.
- In Supplementary Material .02 to Rule 11.350(e), change the two references to Rule 11.280(h)(9) and the one reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.
- In Rule 11.350(f), change the reference to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(f)(1)(A) change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(f)(2)(C)(iii) change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(f)(3) change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(f)(3)(A)(iii) change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(a)(29)(B), change the reference to Rule 11.280(a)(1)-(3) (talking about Level 1 or Level 2 market declines that trigger the MWCB) to cite to Rule 11.280(a)(1)-(3), which is the new location of the relevant MWCB rules.
- In Rule 16.111 (Trading of Certain Derivative Securities), change the reference to the MWCB in Rule 16.111(i)(5)(B)(ii) that refers to Rule 11.280 to instead refer to Rule 11.271.
- In Rule 16.111(j)(6)(B)(v), add IEX Rule 11.271 to the list of rules under which IEX may halt trading in a security and remove Rule

16.170 from the list. As described below, IEX is proposing to delete Rule 16.170.

- In Rule 16.160 (Derivative Securities Traded under Unlisted Trading Privileges), make the following conforming edits:
 - In the first sentence of the opening paragraph, change the word “security” to “UTP Security (see IEX Rule 1.160(ss),” for clarity.
 - In Rule 16.160(a), change the words “Derivative Security” to read ““UTP Exchange Traded Product’ as defined in IEX Rule 1.160(rr)” for clarity.
 - In Rule 16.160(a)(1), change the two references to “UTP Derivative Security” to read “UTP Exchange Traded Product” for clarity.
 - In Rule 16.160(a)(2), change the one reference to “UTP Derivative Security” to read “UTP Exchange Traded Product” and the eight references to “UTP Derivative Securities” to read “UTP Exchange Traded Products” for clarity.
 - Also in Rule 16.160(a)(2), IEX proposes to replace the three brackets surrounding text with {braces} to reduce the confusion caused in rule filings by having bracketed text that is not intended to be deleted. The quoted text will now read as follows:
 - "A circular describing the terms and characteristics of {the UTP Exchange Traded Products} has been prepared by the {open-ended management investment company name} and is available from your broker. It is recommended that you obtain and review such circular before purchasing {the UTP Exchange Traded Products}."
 - In Rule 16.160(a)(3), change the reference to “UTP Derivative Securities” to read “UTP Exchange Traded Products” for clarity. Additionally, add IEX Rule 11.271 to the list of rules under which IEX may halt trading in a security and remove Rule 16.170 from the list. As described below, IEX is proposing to delete Rule 16.170.
 - In Rule 16.160(a)(4), change the reference to “UTP Derivative

Security” to read “UTP Exchange Traded Product” for clarity.

- In Rule 16.160(a)(5), change the reference to “UTP Derivative Security” to read “UTP Exchange Traded Product” for clarity.

Finally, as noted above, IEX is proposing to delete Rule 16.170 (Trading Halts for Trading of Certain Derivative Securities Products on IEX Pursuant to Unlisted Trading Privileges). As described above, proposed Rule 11.280 contains a thorough breakdown of the types of Regulatory and Operational Halts that may be called for a derivative security trading on IEX pursuant to unlisted trading privileges. The language in Rule 16.170 is therefore rendered obsolete by the introduction of the halt rules in Rule 11.280, and IEX proposes to remove this rule because it no longer accurately reflects the circumstances in which IEX may halt trading in a derivative security trading pursuant to unlisted trading privileges and could cause confusion if it remained in the Rule Book.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.⁴⁷ Specifically, the proposal is consistent with Section 6(b)(5) of the Act⁴⁸ because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest.

As described above, the Exchange and other SROs are seeking to adopt

⁴⁷ 15 U.S.C. 78f(b).

⁴⁸ 15 U.S.C. 78f(b)(5).

harmonized rules related to halting and resuming trading in U.S.-listed equity securities. The Exchange believes that the proposed rules will provide greater transparency and clarity with respect to the situations in which trading will be halted and the process through which that halt will be implemented and terminated. Particularly, the proposed changes seek to achieve consistent results for market participants across U.S. equities exchanges while maintaining a fair and orderly market, protecting investors and protecting the public interest. Based on the foregoing, the Exchange believes that the proposed rules are consistent with Section 6(b)(5) of the Act⁴⁹ because they will foster cooperation and coordination with persons engaged in regulating and facilitating transactions in securities.

The Exchange further believes that the various provisions of the proposed rules that will apply to all SROs are focused on the type of cross-market event where a consistent approach will assist market participants and reduce confusion during a crisis. Because market participants often trade the same security across multiple venues and trade securities listed on different exchanges as part of a common strategy, the Exchange believes that the proposed rules will lessen the risk that market participants holding a basket of securities will have to deal with divergent outcomes depending on where the securities are listed or traded.

Conversely, the proposed rules would still allow individual SROs to react differently to events that impact various securities or markets in different ways. This avoids the “brittle market” risk where an isolated event at a single market forces all

⁴⁹ 15 U.S.C. 78f(b)(5).

markets trading equities securities to halt trading in all securities where the issue impacted only a subset of securities. By addressing both concerns, the Exchange believes that the proposed rules furthers the Act's goal of maintaining fair and orderly markets.

The Exchange believes that the proposed rules' focus of responsibility on the Primary Listing Market for decisions related to a Regulatory Halt and the resumption of trading is consistent with the Act, which itself imposes obligations on exchanges with respect to issuers with listed securities on those markets. As is currently the case, the Primary Listing Market would be responsible for the many regulatory functions related to its listings, including the determination of when to declare a Regulatory Halt. While these core responsibilities remain with the Primary Listing Market, trading in the security can occur on multiple exchanges that have extended unlisted trading privileges for the security, such as on the Exchange or in the over-the-counter market regulated by FINRA. The Exchange is responsible for monitoring activity on its own markets, but also must honor a Regulatory Halt. The proposed changes relating to Regulatory Halts would ensure that all SROs handle the situations covered therein in a consistent manner that would prevent conflicting outcomes in cross-market events and ensure that all trading centers recognize a Regulatory Halt declared by the Primary Listing Market. Furthermore, the proposed changes are consistent with and implement the SIP Plan Amendments.

The Exchange believes that the definitions in the proposed rules are also consistent with the Act. The Exchange proposes adding a definitions section to Rule 11.280(a) to consolidate the various definitions that will be used with Regulatory Halts, some of which are taken from the SIP Plans. The Exchange is adopting a modified form

of the term “Extraordinary Market Activity” from the SIP Plans, as described above.

In addition, several other definitions have been moved into the proposed definitions section from elsewhere in the pre-existing trading halt rules without changes in the definitions. As noted, certain definitions are consistent with the definitions in the SIP Plans, furthering the Act’s goal of promoting fair and orderly markets. For example, the Exchange is proposing to adopt a definition of “SIP Halt,” to explicitly address a situation that may disrupt the markets, and this definition is identical to the definitions in the SIP Plans. In addition to “SIP Halt,” the Exchange is adopting the following terms from the SIP Plans: “Operating Committee,” “Operational Halt,” “Primary Listing Market,” “Processor,” “Regulatory Halt,” “Regular Trading Hours,” and “SIP Halt Resume Time,” as discussed in the Purpose section.

The Exchange believes that the proposed rules, which make halts more consistent across multiple exchanges, are consistent with the Act in that they will foster cooperation and coordination with persons engaged in regulating the equities markets. In particular, the Exchange believes it is important for SROs to coordinate when there is a widespread and significant event, as multiple trading centers are impacted in such an event. Further, while the Exchange recognizes that the proposed rules will not guarantee a consistent result on every market in all situations, the Exchange does believe that it will assist in that outcome. While the proposed rules relating to Regulatory Halts focus primarily on the kinds of cross-market events that would likely impact multiple markets, individual SROs will still retain flexibility to deal with unique products or smaller situations confined to a particular market. Allowing for exchange flexibility in such situations will promote just and equitable principles of trade by protecting investors from harm that is

not of their own making. The proposed rules provide guidance on when the Exchange should seek information from the Operating Committee, other SROs and market participants as well as means for dissemination of important information to the market. The Exchange believes these provisions strike the right balance in outlining a process to address unforeseen events without preventing SROs from taking action needed to protect the market.

Also consistent with the Act, and with the SIP Plan Amendments, is the Exchange's proposal in Rule 11.280(d) to address Operational Halts, which are nonregulatory in nature and apply only to the exchange that calls the halt. As noted above, the Exchange presently has the ability to call an Operational Halt. Nevertheless, the Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. Proposed Rule 11.280(d) would authorize the Exchange to implement an Operational Halt for any security trading on the Exchange: (i) if it is experiencing Extraordinary Market Activity on the Exchange; or (ii) when otherwise necessary to maintain a fair and orderly market or in the public interest.

The proposed change is designed to cover situations where the impact is limited to a single market. For example, a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers. The Exchange believes that the broader language provided by the

definition of Extraordinary Market Activity in proposed Rule 11.280(d) will better serve the interests of investors by allowing the Exchange to act where appropriate.

The Exchange also believes that the proposed conforming changes to other rules in this rule filing are consistent with the Act because they are designed to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange believes that the conforming changes that will maintain the clarity and accuracy of its Rule Book will protect investors and the public interest by reducing the potential for confusion.

Finally, as detailed above, the substantive changes in this rule filing are all based upon, and for the most part identical to, rule filings made by several other equities exchanges that were also designed to harmonize all exchanges' rules with respect to Regulatory and Operational Halts.⁵⁰ Thus, the Exchange does not believe that this proposal raises any new or novel issues that have not already been considered by the Commission.

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

IEX believes the proposal is consistent with Section 6(b)(8) of the Act⁵¹ in that it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act as explained below.

Importantly, the IEX believes the proposed changes will not impose a burden on intermarket competition but will rather alleviate any burden on competition because it is the result of a collaborative effort by all SROs to harmonize and improve the process

⁵⁰ See supra notes 11, 12, and 13.

⁵¹ 15 U.S.C. 78f(b)(8).

related to the halting and resumption of trading in U.S.-listed equity securities. In this area, the Exchange believes that all SROs should have consistent rules to the extent possible in order to provide additional transparency and certainty to market participants and to avoid inconsistent outcomes that could cause confusion and erode investor confidence. The proposed changes would ensure that all SROs handle the situations covered therein in a consistent manner and ensure that all Trading Centers handle a Regulatory Halt consistently. The Exchange understands that all national securities markets that trade equities securities intend to file proposals that are substantially similar to this proposal. The Exchange does not believe that the proposed rule change imposes a burden on intermarket competition because the provisions apply to all Participants equally. In addition, information regarding the halting and resumption of trading will be disseminated using several freely accessible sources to ensure broad availability of information in addition to the SIP data and proprietary data feeds offered by the Exchange and other SROs that are available to subscribers.

The Exchange also does not believe that the proposed rule change imposes a burden on intramarket competition because the provisions apply to all Members equally. In addition, the proposals include several provisions related to the declaration and timing of trading halts and the resumption of trading designed to avoid any advantage to those who can react more quickly than other market participants. The proposed rule gives the Exchange the ability to declare the timing of a Regulatory Halt immediately or at a future time to allow for broad dissemination of information. The SROs retain the discretion to cancel trades that occur after the time of the Regulatory Halt. The proposals also allow for the staggered resumption of trading to assist firms of all sizes in reentering the market

after a SIP Halt affecting multiple securities. In addition, the proposals encourage early and frequent communication among the SROs, SIPs and market participants to enable the dissemination of timely and accurate information concerning the market to market participants.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Not applicable.

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 filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act⁵² and Rule 19b-4(f)(6) thereunder.⁵³ The Exchange believes 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 if consistent with the protection of investors and the public interest. 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.⁵⁴

The Exchange believes that the proposed rule change would not adversely affect

⁵² 15 U.S.C. 78s(b)(3)(A).

⁵³ 17 CFR 240.19b-4(f)(6).

⁵⁴ 17 CFR 240.19b-4(f)(6)(iii).

investors or the public interest. In fact, as described above, the Exchange believes that this non-competitive rule filing that harmonizes Regulatory and Operational Halt rules among all equities exchanges will only serve to benefit investors and the public interest. Additionally, as discussed in the Purpose and Statutory Basis sections, this rule change proposal is not novel in that nearly identical filings have already been made by several other exchanges. Finally, as described above, this rule change is not being made for competitive reasons and will not pose any undue burden on competition.

Accordingly, for the foregoing reasons, this rule filing qualifies for immediate effectiveness as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4.⁵⁵

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 to determine whether the proposed rule should be approved or disapproved.

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

As noted in the Purpose section, this rule filing is based on and designed to implement the SIP Plan Amendments. The proposed changes in this rule filing are nearly identical to rule filings made by most of the other equities exchanges to date, and are in particular based upon MEMX Rules 11.22 and 11.23.

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

⁵⁵ 17 CFR 240.19b-4(f)(6).

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34 - ; File No. SR-IEX-2025-37)

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt Common Criteria and Procedures for Halting and Resuming Trading in Equity Securities

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

(a) Pursuant to the provisions of Section 19(b)(1) under the Act,⁴ and Rule 19b-4 thereunder,⁵ the Exchange is filing with the Commission a proposed rule amendment to adopt common criteria and procedures for halting and resuming trading in equity securities in the event of regulatory or operational issues, reorganize the text of the current relevant rules, and make conforming changes to related rules.

The Exchange has designated this proposed rule change as “non-controversial” under

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.

Section 19(b)(3)(A) of the Act⁶ and provided the Commission with the notice required by Rule 19b-4(f)(6) thereunder.⁷

The text of the proposed rule change is available at the Exchange's website at <https://www.iexexchange.io/resources/regulation/rule-filings> and at the principal office of the Exchange.

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 a participant of the transaction reporting plan⁸ governing Tape C Securities ("Nasdaq UTP Plan")⁹, and the transaction reporting plan governing Tape A and B Securities ("CTA Plan")¹⁰ (collectively, with the CQ Plan¹¹, the "SIP Plans"). In tandem with all

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4.

⁸ Each transaction reporting plan has a securities information processor ("SIP") responsible for consolidation of information for the plan's securities, pursuant to Rule 603 of Regulation NMS.

⁹ Nasdaq UTP Plan refers to the transaction reporting plan for Nasdaq-listed securities that is known as The Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis.

¹⁰ CTA Plan refers to the transaction reporting plan for NYSE-listed securities (Tape A) and all non-NYSE or non-Nasdaq listed securities (Tape B).

¹¹ CQ Plan refers to the plan for the dissemination on a current and continuous basis of bid and asked

other national securities exchanges that trade equities securities, and in conjunction with the adoption of amendments to the Nasdaq UTP Plan¹² and comparable amendments to the CTA and CQ Plans¹³, which were proposed by the Participants of both plans (collectively, the “SIP Plan Amendments”), the Exchange hereby proposes to amend its current Rules 11.271 and 11.280 to integrate several definitions and concepts from the SIP Plan Amendments and to reorganize several rules in light of the Exchange’s experience with applying the rules as a national securities exchange.¹⁴ The rules set forth the Exchange’s authority to halt trading under various circumstances.

Although IEX’s rules relating to listing of securities remain in effect, IEX is currently not acting in the capacity of a “Primary Listing Market”, as defined in the Amended UTP and Amended CTA/CQ Plans with respect to any security, and therefore this proposal provides the Exchange with more limited authority to declare Regulatory Halts than exchanges that operate as

quotations and quotation sizes of Tape B and Tape C securities.

¹² On February 11, 2021, the Nasdaq UTP Plan participants filed Amendment 50 to the Plan, to revise provisions governing regulatory and operational halts. See Letter from Robert Brooks, Chairman, UTP Operating Committee, Nasdaq UTP Plan, to Vanessa Countryman, Secretary, Securities and Exchange Commission, dated February 11, 2021. The Nasdaq UTP Plan subsequently filed two partial amendments to the 50th Amendment, on March 31, 2021 and on April 7, 2021. The Commission approved the amendments on May 28, 2021. See Securities Exchange Act Release 92071 (May 28, 2021), 86 FR 29846 (June 3, 2021) (S7-24- 89) (the “Amended UTP Plan”). The Amended Nasdaq UTP Plan includes provisions requiring participant self-regulatory organizations (“SROs”) to honor a Regulatory Halt declared by the Primary Listing Market.

¹³ On February 3, 2021, the CTA/CQ Plan participants (collectively with the Nasdaq UTP Plan participants referred to herein as “Participants”) filed Amendment 36 to the Second Restatement of the CTA Plan and Amendment 27 to the Restated CQ Plan, to revise provisions governing regulatory and operational halts. See Letter from Robert Books, Chair, CTA/CQ Operating Committee, to Vanessa Countryman, Secretary, Securities and Exchange Commission, dated February 3, 2021. The Commission approved the amendments on May 28, 2021 (the “Amended CTA/CQ Plan”). See Securities Exchange Act Release No. 92070 (May 28, 2021), 86 FR 29849 (June 3, 2021) (SR-CTA/CQ-2021-01).

¹⁴ This proposed rule change is based on similar rule changes filed by several exchanges that do not operate Primary Listing Markets. See Securities Exchange Act Release Nos. 96574 (December 22, 2022), 87 FR 80213 (December 29, 2022) (SR-Phlx-2022-49); 97093 (March 9, 2023), 88 FR 16045 (March 15, 2023) (SR-PEARL-2023-11); 97824 (June 29, 2023), 88 FR 43159 (July 6, 2023) (SR-MEMX-2023-11); 103698 (August 13, 2025), 90 FR 40108 (August 18, 2025) (SR-NYSENAT-2025-17).

a Primary Listing Market.¹⁵

As part of this proposed rule change, IEX, like other exchanges, is proposing to move its rules relating to Trading Halts Due to Extraordinary Market Volatility (the Market Wide Circuit Breaker or “MWCB”), currently IEX Rules 11.280(a)-(d) and (i)-(k), to Rule 11.271. IEX is also proposing to delete the current text in its current Rule 11.271 (Trading Halts), because those rules are being replaced with the rules in proposed Rule 11.280 (Limit Up-Limit Down Plan and Trading Halts on the Exchange). These changes will better align IEX’s MWCB, Limit Up-Limit Down Plan and Trading Halts rules with those of other exchanges for clarity and organizational purposes.¹⁶ As described below, IEX also proposes to remove Rule 16.170 and make conforming edits related to these changes in Rules 11.230, 11.231, 11.350, 16.111, and 16.160.

Background

As a Participant in the SIP Plans, the Exchange worked with the other Participants to establish and implement common criteria and procedures for halting and resuming trading in equity securities in the event of regulatory or operational issues. These common standards were designed so that market events which might impact multiple exchanges are handled in a consistent and transparent manner. The Exchange believes that implementation of these common standards will promote the SROs’ role in maintaining fair and orderly markets, protecting investors and furthering the public interest. Notwithstanding the development of these common standards, the Exchange will retain discretion in certain instances as to whether and how to

¹⁵ See, e.g., Securities Exchange Act Release Nos. 95069 (June 8, 2022), 87 FR 36018 (June 14, 2022) (SR-NASDAQ-2022-017), 102810 (April 10, 2025), 90 FR 16041 (April 16, 2025) (SR-NYSEAMER-2025-19), 103356 (June 30, 2025) (SR-NYSE-2025-21), 103476 (July 16, 2025), 90 FR 34314 (July 21, 2025) (SR-NYSEARCA-2025-50).

¹⁶ See, e.g., MEMX Rules 11.22 (Trading Halts Due to Extraordinary Market Volatility) and 11.23 (Limit Up-Limit Down Plan and Trading Halts on the Exchange).

handle halts, as discussed below.

Every U.S.-listed equity security has its primary listing on a specific stock exchange that is responsible for a number of regulatory functions.¹⁷ These include confirming that the security continues to meet the exchange's listing standards, monitoring trading in that security and taking action to halt trading in the security when necessary to protect investors and to ensure a fair and orderly market. While these core responsibilities remain with the Primary Listing Market, trading in the security can occur on multiple exchanges that have unlisted trading privileges for the security or in the over-the-counter market, regulated by the Financial Industry Regulatory Authority, Inc. ("FINRA").

The exchanges and FINRA are responsible for monitoring activity on the markets over which they have oversight but also must adhere to the regulatory decisions made by the Primary Listing Market with respect to its listed securities. For example, a venue trading a security pursuant to unlisted trading privileges must halt trading in that security during a Regulatory Halt¹⁸, which is a defined term under the proposed rules, and may only trade the security once the Primary Listing Market has cleared the security to resume trading. While the Exchange and the other SROs intend to harmonize certain aspects of their trading halt rules, other elements of the rules will continue to be unique to each market. The Exchange believes that this is appropriate to reflect the different products listed or traded on each market. The Exchange will implement all of the changes proposed herein in conjunction with other SROs implementing the

¹⁷ IEX is proposing to adopt Primary Listing Market as a new definition having the same meaning as in the Amended Nasdaq UTP Plan, Section X(A)(8) and in the Amended CTA Plan Section XI(a)(i)(H). Each of those sections define Primary Listing Market as "the national securities exchange on which an Eligible Security is listed. If an Eligible Security is listed on more than one national securities exchange, Primary Listing Market means the exchange on which the security has been listed the longest."

¹⁸ See proposed Rule 11.280(a)(10).

necessary changes. The Exchange will publish a trading alert at least 30 days prior to implementing the proposed changes.

Definitions

The Exchange proposes adding a new definition for “UTP Exchange Traded Products”¹⁹ to Rule 1.160 (Definitions), which will match the definitions used by other exchanges.²⁰ Additionally, the Exchange proposes adding a definitions section as Rule 11.280(a) to consolidate the various definitions that will be used with respect to trading halts, several of which are taken from the Amended Nasdaq UTP Plan and the Amended CTA Plan after the SIP Plan Amendments (“SIP Plans”). Specifically, the Exchange is also proposing to adopt the following terms from the SIP Plans: “Operating Committee,” “Operational Halt,” “Processor” or “SIP,” “Regular Trading Hours,” “SIP Halt,” and “SIP Halt Resume Time.” The definitions of “UTP Exchange Traded Product,” “Pre-Market Session,” and “Post-Market Session” are included in the definitions section with cross-references to their current and proposed definitions in Rule 1.160.²¹

The Exchange also proposes to add definitions of “Trust Shares,” “Index Fund Shares,” “Managed Fund Shares,” and “Trust Issued Receipts,” as subcategories to the defined term UTP Exchange Traded Product, and those terms will have the same meanings as those found in the rules of other exchanges, which were adopted in response to the SIP Plan Amendments.²²

As described above, the Exchange proposes to adopt the definition of “Primary Listing

¹⁹ See proposed Rule 1.160(rr). The Exchange also proposes to renumber current Rule 1.160(rr), which defines the term “UTP Security” to be Rule 1.160(ss).

²⁰ See, e.g., MEMX Rule 1.5(kk).

²¹ See Rule 1.160(z) and proposed Rule 1.160(rr).

²² See Nasdaq PHLX Rules 3100(b)(1)(A)-(D); MEMX Rules 11.22(a)(1)(A)-(D).

Market” that is found in the SIP Plans.²³ As is currently the case under the SIP Plans, all Regulatory Halt decisions are made by the market on which the security has its primary listing. This reflects the regulatory responsibility that the Primary Listing Market has for fair and orderly trading in the securities that list on its market and its direct access to its listed companies, which are required to advise it of certain events and maintain lines of communication with the Primary Listing Market. The proposed definition makes clear that if a security is listed on more than one market (a dually-listed security), the Primary Listing Market means the exchange on which the security has been listed the longest. This provision matches language used in the definition of “Primary Listing Exchange” in the Limit-Up Limit-Down Plan and will avoid conflict in the event of dually-listed securities.

The Exchange is also proposing to adopt a definition of the term “Extraordinary Market Activity”²⁴ that would represent a modified version of the term’s definitions in the Amended UTP Plan and the Amended CTA Plan,²⁵ but which is consistent with recent rule filings of other exchanges.²⁶ Specifically, the Exchange proposes to define “Extraordinary Market Activity” without the concept of a “market-wide basis” because the term would only be used in the Exchange’s rules as a basis for the Exchange. Thus, the Exchange proposes to define Extraordinary Market Activity as follows:

a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact on quoting, order, or trading activity or on the

²³ See supra note 17.

²⁴ The term “Extraordinary Market Activity” was never specifically defined in IEX’s rules, although it was described by way of a few examples in the rules IEX now proposes to delete as part of this filing. See IEX Rule 11.280(g)(6)(A) and (B).

²⁵ See Amended Nasdaq UTP Plan Section X.A.1; Amended CTA Plan, Section XI(a)(i)(H).

²⁶ See Securities Exchange Act Release No. 97824 (June 29, 2023), 88 FR 43159 (July 6, 2023) (SR-MEMX-2023-11).

availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, transaction information, or regulatory messages for a sustained period.²⁷

The third set of new proposed definitions would be specific to events involving the SIP.

Specifically, the Exchange is also proposing to adopt the following terms from the SIP Plans:

“Operating Committee,” “Operational Halt,” “Processor” or “SIP,” “Regular Trading Hours,” “SIP Halt,” and “SIP Halt Resume Time.”

While the Exchange recognizes that many events involving the SIP would also meet the definition of “Extraordinary Market Activity” (as defined in the SIP Plans), the Exchange believes that the critical role of the SIPs in market infrastructure factors in favor of additional guidance on how such events will be handled. The definitions of “SIP Halt Resume Time” and “SIP Halt” are intended to provide additional guidance to address this subset of potential market issues. In addition, the Exchange is proposing to define terms related to SIP governance needed in order to understand these definitions:

- “Processor” or “SIP”²⁸ have the same meaning as the terms set forth in the SIP Plans, namely the entity selected by the Participants to perform the processing functions set forth in the Plan. These terms may be used to apply to the processor for transactions in Tape A and B securities or the processor for transactions in Tape C securities.
- “SIP Plan”²⁹ means each of the national market system plans governing the SIPs, as applicable. Specifically, SIP Plan refers to any or all of the following national market system plans governing the collection, consolidation, and dissemination of quotation and transaction information for NMS stocks: i) the “Nasdaq UTP Plan”;

²⁷ See proposed Rule 11.280(a)(2).

²⁸ See proposed Rule 11.280(a)(9).

²⁹ See proposed Rule 11.280(a)(3).

ii) the Consolidated Tape Association and Consolidated Quotation Plan (“CTA/CQ Plan”); or the “CT Plan”.³⁰

- “Operating Committee”³¹ has the same meaning as in each respective SIP Plan.

The Exchange is proposing to adopt a category of Regulatory Halt, called a “SIP Halt,”³² which will have the same meaning as that term is defined in the SIP Plans, namely “a Regulatory Halt to trading in one or more securities that a Primary Listing Market declares in the event of a SIP Outage or Material SIP Latency.”³³ This new category of Regulatory Halt will address situations where the Primary Listing Market declares a Regulatory Halt in one or more securities as a result of a SIP outage³⁴ or material SIP latency.³⁵

Fourth, the Exchange proposes to add a definition of “Regulatory Halt,”³⁶ which would be a new defined term that incorporates the Exchange’s existing regulatory halt authority as well as the proposed new regulatory halt authority. The Exchange proposes that the term would have the same meaning as in the SIP Plans as follows:

³⁰ The CT Plan was approved in November 2024 to become the successor to and replacement for the Nasdaq UTP Plan and the CTA/CQ Plans. See Securities Exchange Act Release No. 101672 (November 20, 2024), 89 FR 94924 (November 29, 2024) (File No. 4-757). The CT Plan is expected to begin disseminating quote and trade data in the second quarter of 2027. See CT Plan FAQs, available at <https://thectplanllc.com/faqs/>.

³¹ See proposed Rule 11.280(a)(3).

³² See proposed Rule 11.280(a)(12).

³³ See Amended Nasdaq UTP Plan Section X(A)(11); Amended CTA Plan, Section XI(a)(i)(K).

³⁴ A SIP outage means a situation in which the Processor has ceased, or anticipates being unable, to provide updated and/or accurate quotation or last sale price information in one or more securities for a material period that exceeds the time thresholds for an orderly failover to backup facilities established by mutual agreement among the Processor, the Primary Listing Market for the affected securities, and the Operating Committee unless the Primary Listing Market, in consultation with the Processor and the Operating Committee, determines that resumption of accurate data is expected in the near future. See Amended Nasdaq UTP Plan, Section X(A)(13); Amended CTA Plan, Section XI(a)(i)(M).

³⁵ A material SIP latency means a delay of quotation or last sale price information in one or more securities between the time data is received by the Processor and the time the Processor disseminates the data over the Processor’s vendor lines, which delay the Primary Listing Market determines, in consultation with, and in accordance with, publicly disclosed guidelines established by the Operating Committee, to be (a) material and (b) unlikely to be resolved in the near future. See Amended Nasdaq UTP Plan, Section X(A)(5); Amended CTA Plan, Section XI(a)(i)(E).

³⁶ See proposed Rule 11.280(a)(10).

a halt declared by the Primary Listing Market in trading in one or more securities on all Trading Centers for regulatory purposes, including for the dissemination of material news, news pending, suspensions, or where otherwise necessary to maintain a fair and orderly market. A Regulatory Halt includes a trading pause triggered by Limit Up Limit Down, a halt based on Extraordinary Market Activity, a trading halt triggered by a Market-Wide Circuit Breaker, and a SIP Halt.³⁷

The Exchange proposes to add a definition of “Operational Halt,”³⁸ which is defined as having the same meaning as in the SIP Plans.³⁹ Specifically, the Exchange is proposing to define Operational Halt to mean a halt in trading in one or more securities only on the market declaring the halt and is not a Regulatory Halt. An Operational Halt is effective only on the Exchange; other markets are not required to halt trading in the impacted securities. In practice, the Exchange has always had the capacity to implement operational halts in specified circumstances.⁴⁰ The proposed change would provide greater clarity on when an Operational Halt may be implemented and the process for halting and resuming trading in the event of an Operational Halt. An Operational Halt is not a Regulatory Halt.

Regulatory Halt

Proposed Rule 11.280(b)(1)(A)(i)-(iv) includes four situations in which the Exchange must halt trading pursuant to a Regulatory Halt: under the Limit Up-Limit Down Plan, pursuant to Extraordinary Market Volatility (Market-Wide Circuit Breakers), when the Primary Listing Market declares a SIP halt, or when the Primary Listing Market declares a trading halt based on Extraordinary Market Activity, as defined in the SIP Plans. Proposed Rule 11.280(b)(1)(A)(i) retains without substantive modification the existing rule with respect to the Limit Up-Limit Down

³⁷ Id.

³⁸ See proposed Rule 11.280(a)(5).

³⁹ See Amended Nasdaq UTP Plan, Section X(A)(7); Amended CTA Plan, Section XI(a)(i)(G).

⁴⁰ See Rule 11.110(c) and Rule 11.280(d).

Plan (current Rule 11.280(e)). The Exchange, currently acting as a non-Primary Listing Market, does not itself declare trading pauses pursuant to the Limit Up-Limit Down Plan, but rather implements such pauses declared by Primary Listing Markets. The Exchange proposes to make clear in Rule 11.280(b)(1)(A)(ii) that a trading halt pursuant to Extraordinary Market Volatility (Market-Wide Circuit Breakers), as is described in proposed Rule 11.271, constitutes a Regulatory Halt. The Exchange would also add subsections concerning Regulatory Halts declared by Primary Listing Markets based on a SIP halt or Extraordinary Market Activity in Rule 11.280(b)(1)(A)(iii). As is the case under the current Rule 11.280(e), the Exchange would honor a Regulatory Halt. The Exchange proposes to add Rule 11.280(b)(1)(A)(iv), which states that the Exchange will halt trading for any security traded on the Exchange when the Primary Listing Market declares a Regulatory Halt for any such security. The Exchange also proposes to add Rule 11.280(b)(1)(A)(iv)(a), which makes clear that the start time of a Regulatory Halt is the time the Primary Listing Market declares the Regulatory Halt, regardless of whether communications issues impact the dissemination of notice of the Halt. This provision is consistent with the SIP Plans⁴¹ and would provide market participants with certainty on the official start time of the Regulatory Halt. Under the proposed rule, the start time is fixed by the Primary Listing Market; it is not dependent on whether notice is disseminated immediately. This will avoid possible disagreement if the Regulatory Halt time were tied to dissemination or receipt of notification, which may occur at different times. The Exchange recognizes that in situations where communication is interrupted, trades may continue to occur until news of the Regulatory Halt reaches all trading centers. However, a fixed “official” Regulatory Halt time will allow SROs to revisit trades after the fact and determine in a consistent manner whether specific trades should

⁴¹ See Amended Nasdaq UTP Plan X(D)(1) and Amended CTA Plan Section XI(a)(iv)(A).

stand.

Resumption of Trading After a Regulatory Halt

The SROs have jointly developed processes to govern the resumption of trading in the event of a Regulatory Halt. While the actual process of re-launching trading will remain unique to each exchange, the proposed rule would harmonize certain common elements of the reopening process that would benefit from consistency across markets. These common elements include the primacy of the Primary Listing Market in resumption decisions, the requirement that the Primary Listing Market make its determination to resume trading in good faith⁴², and certain parts of the complex process of reopening trading after a SIP Halt. With respect to a SIP Halt, common elements of the reopening process include the interaction among SROs (including the Primary Listing Market with the SIP), the requirement that the Primary Listing Market terminate a SIP Halt with a notification that specifies a SIP Halt Resume Time, the minimum quoting times before resumption of trading, the cutoff time after which trading would not resume during Regular Trading Hours, and the time when trading may resume if the Primary Listing Market does not open a security within the amount of time specified in its rules after the SIP Halt Resume Time.

Proposed Rule 11.280(b)(2) provides the process to be followed when resuming trading upon the conclusion of a Regulatory Halt. The new rule, which incorporates Sections X(E) and X(F) of the Amended Nasdaq UTP Plan and Sections XI(a)(v) and XI(a)(vi), is divided into the following two subsections concerning resumption of trading: (A) after a Regulatory Halt other than a SIP Halt; and (B) after a SIP Halt. Proposed Rule 11.280(b)(2)(A)(i) provides that, for a Regulatory Halt other than a SIP Halt, the Exchange may resume trading subject to the Regulatory Halt after the Exchange receives notification from the Primary Listing Market that the Regulatory

⁴² See Amended Nasdaq UTP Plan X(E)(1) and Amended CTA Plan Section XI(a)(v)(A).

Halt has been terminated. The Exchange does not conduct halt crosses and, therefore, the resumption of trading in these securities will occur once notice from the Primary Listing Market is received. Proposed Rule 11.280(b)(2)(B)(i) provides that, for securities subject to a SIP Halt initiated by another exchange that is the Primary Listing Market, during Regular Trading Hours, the Exchange may resume trading after trading has resumed on the Primary Listing Market or notice has been received from the Primary Listing Market that trading may resume. During Regular Trading Hours, if the Primary Listing Market does not open a security within the amount of time specified by the rules of the Primary Listing Market after the SIP Halt Resume Time, the Exchange may resume trading in that security. Outside Regular Trading Hours, the Exchange may resume trading immediately after the SIP Halt Resume Time.⁴³ Proposed Rule 11.280(b)(2) is consistent with current practice.

Proposed Rule 11.280(b)(3) retains without substantive modification existing Rule 11.271. Proposed Rule 11.280(b)(3) states that on the occurrence of any Regulatory Halt pursuant to this Rule all outstanding orders in the System will be cancelled, the Exchange will not accept new orders, and at the end of the Regulatory Halt, the Exchange shall re-open the security and again begin accepting orders. Lastly, consistent with Section X(G) of the Nasdaq UTP Plan and Section XI(a)(vii) of the CTA Plan, the Exchange proposes to add Rule 11.280(c), which will more broadly require the Exchange to halt trading of a UTP security if the Primary Listing Market declares a Regulatory Halt in that security, and more specifically, governs trading halts in certain Exchange Traded Products traded on the Exchange pursuant to unlisted trading privileges during pre-market, regular trading hours, and post-market sessions.

Operational Halt

⁴³ See Amended Nasdaq UTP Plan X(F)(3) and Amended CTA Plan Section XI(a)(vi)(C).

The Exchange proposes in Rule 11.280(d) to address Operational Halts, which are non-regulatory in nature and apply only to the exchange that calls the halt. As described above, the Exchange has always had the capacity to implement operational halts and local trading suspensions in specified circumstances, but such halts are not currently referred to as “operational halts” in the Exchange’s rules.⁴⁴ As part of the Exchange’s assessment with the other SROs of the halting and resumption of trading, the Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. In part, the proposed change is designed to cover situations similar to those that might constitute a Regulatory Halt, but where the impact is limited to a single market. For example, just as a market disruption might trigger a Regulatory Halt for Extraordinary Market Activity (as defined in the SIP Plans) if it affects multiple markets, so too a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers. Proposed Rule 11.280(d) would authorize the Exchange to implement an Operational Halt for any security trading on the Exchange:

- if it is experiencing Extraordinary Market Activity⁴⁵ on the Exchange; or
- when otherwise necessary to maintain a fair and orderly market or in the public

⁴⁴ See, e.g., Rule 11.110(c). The Exchange also notes that its proposed Rule 11.280(d) regarding Operational Halts is substantially identical to the rules introduced by other exchanges in their filings responding to the SIP Amendments and is therefore not novel. See *supra* note 14.

⁴⁵ “Extraordinary Market Activity” in proposed Rule 11.280(d) would have the meaning proposed by the Exchange, which as noted above is a modified form of the definitions in the SIP Plans.

interest.

Proposed Rule 11.280(d)(2) provides the process for initiating an Operational Halt. Under the proposed rule, on the occurrence of any Operational Halt all outstanding orders in the System will be cancelled. Further, the Exchange must notify the SIP if it has concerns about its ability to collect and transmit Quotation Information or Transaction Reports, or if it has declared an Operational Halt or suspension of trading in one or more Eligible Securities, pursuant to the procedures adopted by the Operating Committee.

Proposed Rule 11.280(d)(3) will clarify how the Exchange resumes trading after an Operational Halt. Proposed Rule 11.280(d)(3)(A) provides that the Exchange would resume trading after an Operational Halt when it determines that trading may resume in a fair and orderly manner consistent with the Exchange's rules. Proposed Rule 11.280(d)(3)(B) provides that orders entered during the Operational Halt will not be accepted. Proposed Rule 11.280(d)(3)(C) provides that trading in a halted security shall resume at the time specified by the Exchange in a notice. Proposed Rule 11.280(d)(3)(C) also specifies that the Exchange will notify all other Participants and the SIP of such an Operational Halt as well as provide notice that an Operational Halt has been lifted using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. If the SIP is unable to disseminate notice of an Operational Halt or the Exchange is not open for trading, the Exchange will take reasonable steps to provide notice of an Operational Halt, which shall include both the type and start time of the Operational Halt. Each Participant shall continuously monitor communication protocols established by the Operating Committee and the Processor during market hours to disseminate notice of an Operational Halt, and the failure of a Participant to do so shall not prevent the Exchange from initiating an Operational Halt.

Trading Halts Due to Extraordinary Market Volatility

Additionally, the Exchange proposes moving the Trading Halts Due to Extraordinary Market Volatility (MWCB) rules that are currently in Rule 11.280 to their own separate rule, proposed Rule 11.271. As proposed, MWCB halts, which fall under the category of Regulatory Halts, are cross referenced in proposed Rule 11.280(b)(i)(A)(ii). The text of the proposed Rule 11.271 does not materially differ from what is currently in found in IEX Rules 11.280(a)-(d)⁴⁶ and (i)-(k).⁴⁷ The Exchange believes separating this text from Rule 11.280 is appropriate in order to remain consistent with similar rule filings proposed by other Exchanges.⁴⁸

Conforming Changes to Other Rules

The Exchange proposes to make the following conforming changes to other rules, in addition to any changes described above.⁴⁹ Other conforming edits IEX proposes to make are as follows:

- In Rule 11.230(a)(3) (Order Execution), add “Plan” at the end of the phrase “Limit Up-Limit Down”. IEX proposes this change so that the Rule Book is consistent in how it refers to the Limit Up-Limit Down Plan.
- In Rule 11.231(e) (Regular Market Session Opening Process for Non-IEX-Listed Securities), replace a reference to Rule 11.271 with a reference to Rule 11.280. The reference is to the authority to reject orders submitted during a trading halt, which under this proposal will now be found in Rule 11.280.
- As described above, IEX proposes to rearrange Rules 11.271 (Trading Halts) and Rule 11.280 (Limit Up-Limit Down Plan and Trading Halts), such that the MWCB rules will move from Rule 11.271, and current rule 11.271 will be replaced with the trading halts rules described above in Rule 11.280.

⁴⁶ These provisions outline the processes related to MWCB halts.

⁴⁷ These provisions outline the processes related to MWCB testing.

⁴⁸ See, e.g., MEMX Rule 11.22(b)(i)(A)(ii), which like proposed IEX Rule 11.280(b)(i)(A)(ii) refers to the separate MWCB rule (MEMX Rule 11.23 and proposed IEX Rule 11.271).

⁴⁹ See, e.g., supra note 19 (describing the proposed addition of a definition for UTP Exchange Traded Products to Rule 1.160 and the renumbering of the rule).

- In Rule 11.350 (Auctions), change references to Rule 11.280(e) (Limit Up-Limit Down Mechanism) and Rule 11.280(h) (Procedure for Initiating and Terminating a Trading Halt) to refer to Rule 11.280 in general, which contains several rules relating to the Limit Up-Limit Down Plan and corresponding trading halts. Specifically, IEX proposes to make the following changes:
 - In Rule 11.350(a)(1)(E)(i), change the reference to Rule 11.280(e) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(6)(A)(i), change the reference to Rule 11.280(h)(9) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(6)(B), change the reference to Rule 11.280(h)(9) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(7)(A)(i), change the reference to Rule 11.280(h)(9) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(7)(B), change the reference to Rule 11.280(h)(9) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(9)(G), change the reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(9)(H), change the reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(9)(I), change the reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.
 - In Rule 11.350(d)(2)(D), change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
 - In Rule 11.350(e), change the references to Rules 11.280(h)(9) and 11.280(g)(1), (4), or (5) (Authority to Initiate Trading Halts) to instead refer to Rule 11.280.
 - In Rule 11.350(e)(2)(B)(iii), change the reference to Rule 11.280(h)(8)(C) to instead refer to Rule 11.280.
 - In Supplementary Material .01 to Rule 11.350(e), change the two references to Rule 11.280(h)(9) and the one reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.
 - In Supplementary Material .02 to Rule 11.350(e), change the two references to Rule 11.280(h)(9) and the one reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.

- In Rule 11.350(f), change the reference to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(f)(1)(A) change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(f)(2)(C)(iii) change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(f)(3) change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(f)(3)(A)(iii) change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(a)(29)(B), change the reference to Rule 11.280(a)(1)-(3) (talking about Level 1 or Level 2 market declines that trigger the MWCB) to cite to Rule 11.280(a)(1)-(3), which is the new location of the relevant MWCB rules.
- In Rule 16.111 (Trading of Certain Derivative Securities), change the reference to the MWCB in Rule 16.111(i)(5)(B)(ii) that refers to Rule 11.280 to instead refer to Rule 11.271.
- In Rule 16.111(j)(6)(B)(v), add IEX Rule 11.271 to the list of rules under which IEX may halt trading in a security and remove Rule 16.170 from the list. As described below, IEX is proposing to delete Rule 16.170.
- In Rule 16.160 (Derivative Securities Traded under Unlisted Trading Privileges), make the following conforming edits:
 - In the first sentence of the opening paragraph, change the word “security” to “UTP Security (see IEX Rule 1.160(ss),” for clarity.
 - In Rule 16.160(a), change the words “Derivative Security” to read ““UTP Exchange Traded Product” as defined in IEX Rule 1.160(rr)” for clarity.
 - In Rule 16.160(a)(1), change the two references to “UTP Derivative Security” to read “UTP Exchange Traded Product” for clarity.
 - In Rule 16.160(a)(2), change the one reference to “UTP Derivative Security” to read “UTP Exchange Traded Product” and the eight references to “UTP Derivative Securities” to read “UTP Exchange Traded Products” for clarity.
 - Also in Rule 16.160(a)(2), IEX proposes to replace the three brackets surrounding text with {braces} to reduce the

confusion caused in rule filings by having bracketed text that is not intended to be deleted. The quoted text will now read as follows:

- "A circular describing the terms and characteristics of {the UTP Exchange Traded Products} has been prepared by the {open-ended management investment company name} and is available from your broker. It is recommended that you obtain and review such circular before purchasing {the UTP Exchange Traded Products}."
- In Rule 16.160(a)(3), change the reference to "UTP Derivative Securities" to read "UTP Exchange Traded Products" for clarity. Additionally, add IEX Rule 11.271 to the list of rules under which IEX may halt trading in a security and remove Rule 16.170 from the list. As described below, IEX is proposing to delete Rule 16.170.
- In Rule 16.160(a)(4), change the reference to "UTP Derivative Security" to read "UTP Exchange Traded Product" for clarity.
- In Rule 16.160(a)(5), change the reference to "UTP Derivative Security" to read "UTP Exchange Traded Product" for clarity.

Finally, as noted above, IEX is proposing to delete Rule 16.170 (Trading Halts for Trading of Certain Derivative Securities Products on IEX Pursuant to Unlisted Trading Privileges). As described above, proposed Rule 11.280 contains a thorough breakdown of the types of Regulatory and Operational Halts that may be called for a derivative security trading on IEX pursuant to unlisted trading privileges. The language in Rule 16.170 is therefore rendered obsolete by the introduction of the halt rules in Rule 11.280, and IEX proposes to remove this rule because it no longer accurately reflects the circumstances in which IEX may halt trading in a derivative security trading pursuant to unlisted trading privileges and could cause confusion if it remained in the Rule Book.

2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and

the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.⁵⁰ Specifically, the proposal is consistent with Section 6(b)(5) of the Act⁵¹ because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest.

As described above, the Exchange and other SROs are seeking to adopt harmonized rules related to halting and resuming trading in U.S.-listed equity securities. The Exchange believes that the proposed rules will provide greater transparency and clarity with respect to the situations in which trading will be halted and the process through which that halt will be implemented and terminated. Particularly, the proposed changes seek to achieve consistent results for market participants across U.S. equities exchanges while maintaining a fair and orderly market, protecting investors and protecting the public interest. Based on the foregoing, the Exchange believes that the proposed rules are consistent with Section 6(b)(5) of the Act⁵² because they will foster cooperation and coordination with persons engaged in regulating and facilitating transactions in securities.

The Exchange further believes that the various provisions of the proposed rules that will apply to all SROs are focused on the type of cross-market event where a consistent approach will assist market participants and reduce confusion during a crisis. Because market participants often trade the same security across multiple venues and trade securities listed on different exchanges as part of a common strategy, the Exchange believes that the proposed rules will lessen the risk

⁵⁰ 15 U.S.C. 78f(b).

⁵¹ 15 U.S.C. 78f(b)(5).

⁵² 15 U.S.C. 78f(b)(5).

that market participants holding a basket of securities will have to deal with divergent outcomes depending on where the securities are listed or traded.

Conversely, the proposed rules would still allow individual SROs to react differently to events that impact various securities or markets in different ways. This avoids the “brittle market” risk where an isolated event at a single market forces all markets trading equities securities to halt trading in all securities where the issue impacted only a subset of securities. By addressing both concerns, the Exchange believes that the proposed rules furthers the Act’s goal of maintaining fair and orderly markets.

The Exchange believes that the proposed rules’ focus of responsibility on the Primary Listing Market for decisions related to a Regulatory Halt and the resumption of trading is consistent with the Act, which itself imposes obligations on exchanges with respect to issuers with listed securities on those markets. As is currently the case, the Primary Listing Market would be responsible for the many regulatory functions related to its listings, including the determination of when to declare a Regulatory Halt. While these core responsibilities remain with the Primary Listing Market, trading in the security can occur on multiple exchanges that have extended unlisted trading privileges for the security, such as on the Exchange or in the over-the-counter market regulated by FINRA. The Exchange is responsible for monitoring activity on its own markets, but also must honor a Regulatory Halt. The proposed changes relating to Regulatory Halts would ensure that all SROs handle the situations covered therein in a consistent manner that would prevent conflicting outcomes in cross-market events and ensure that all trading centers recognize a Regulatory Halt declared by the Primary Listing Market. Furthermore, the proposed changes are consistent with and implement the SIP Plan Amendments.

The Exchange believes that the definitions in the proposed rules are also consistent with the Act. The Exchange proposes adding a definitions section to Rule 11.280(a) to consolidate the various definitions that will be used with Regulatory Halts, some of which are taken from the SIP Plans. The Exchange is adopting a modified form of the term “Extraordinary Market Activity” from the SIP Plans, as described above.

In addition, several other definitions have been moved into the proposed definitions section from elsewhere in the pre-existing trading halt rules without changes in the definitions. As noted, certain definitions are consistent with the definitions in the SIP Plans, furthering the Act’s goal of promoting fair and orderly markets. For example, the Exchange is proposing to adopt a definition of “SIP Halt,” to explicitly address a situation that may disrupt the markets, and this definition is identical to the definitions in the SIP Plans. In addition to “SIP Halt,” the Exchange is adopting the following terms from the SIP Plans: “Operating Committee,” “Operational Halt,” “Primary Listing Market,” “Processor,” “Regulatory Halt,” “Regular Trading Hours,” and “SIP Halt Resume Time,” as discussed in the Purpose section.

The Exchange believes that the proposed rules, which make halts more consistent across multiple exchanges, are consistent with the Act in that they will foster cooperation and coordination with persons engaged in regulating the equities markets. In particular, the Exchange believes it is important for SROs to coordinate when there is a widespread and significant event, as multiple trading centers are impacted in such an event. Further, while the Exchange recognizes that the proposed rules will not guarantee a consistent result on every market in all situations, the Exchange does believe that it will assist in that outcome. While the proposed rules relating to Regulatory Halts focus primarily on the kinds of cross-market events that would likely impact multiple markets, individual SROs will still retain flexibility to deal with unique products

or smaller situations confined to a particular market. Allowing for exchange flexibility in such situations will promote just and equitable principles of trade by protecting investors from harm that is not of their own making. The proposed rules provide guidance on when the Exchange should seek information from the Operating Committee, other SROs and market participants as well as means for dissemination of important information to the market. The Exchange believes these provisions strike the right balance in outlining a process to address unforeseen events without preventing SROs from taking action needed to protect the market.

Also consistent with the Act, and with the SIP Plan Amendments, is the Exchange's proposal in Rule 11.280(d) to address Operational Halts, which are nonregulatory in nature and apply only to the exchange that calls the halt. As noted above, the Exchange presently has the ability to call an Operational Halt. Nevertheless, the Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. Proposed Rule 11.280(d) would authorize the Exchange to implement an Operational Halt for any security trading on the Exchange: (i) if it is experiencing Extraordinary Market Activity on the Exchange; or (ii) when otherwise necessary to maintain a fair and orderly market or in the public interest.

The proposed change is designed to cover situations where the impact is limited to a single market. For example, a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers. The Exchange believes that the broader language provided by the definition of Extraordinary Market Activity in

proposed Rule 11.280(d) will better serve the interests of investors by allowing the Exchange to act where appropriate.

The Exchange also believes that the proposed conforming changes to other rules in this rule filing are consistent with the Act because they are designed to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange believes that the conforming changes that will maintain the clarity and accuracy of its Rule Book will protect investors and the public interest by reducing the potential for confusion.

Finally, as detailed above, the substantive changes in this rule filing are all based upon, and for the most part identical to, rule filings made by several other equities exchanges that were also designed to harmonize all exchanges' rules with respect to Regulatory and Operational Halts.⁵³ Thus, the Exchange does not believe that this proposal raises any new or novel issues that have not already been considered by the Commission.

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

IEX believes the proposal is consistent with Section 6(b)(8) of the Act⁵⁴ in that it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act as explained below.

Importantly, the IEX believes the proposed changes will not impose a burden on intermarket competition but will rather alleviate any burden on competition because it is the result of a collaborative effort by all SROs to harmonize and improve the process related to the halting and resumption of trading in U.S.-listed equity securities. In this area, the Exchange

⁵³ See supra notes 14, 15, and 16.

⁵⁴ 15 U.S.C. 78f(b)(8).

believes that all SROs should have consistent rules to the extent possible in order to provide additional transparency and certainty to market participants and to avoid inconsistent outcomes that could cause confusion and erode investor confidence. The proposed changes would ensure that all SROs handle the situations covered therein in a consistent manner and ensure that all Trading Centers handle a Regulatory Halt consistently. The Exchange understands that all national securities markets that trade equities securities intend to file proposals that are substantially similar to this proposal. The Exchange does not believe that the proposed rule change imposes a burden on intermarket competition because the provisions apply to all Participants equally. In addition, information regarding the halting and resumption of trading will be disseminated using several freely accessible sources to ensure broad availability of information in addition to the SIP data and proprietary data feeds offered by the Exchange and other SROs that are available to subscribers.

The Exchange also does not believe that the proposed rule change imposes a burden on intramarket competition because the provisions apply to all Members equally. In addition, the proposals include several provisions related to the declaration and timing of trading halts and the resumption of trading designed to avoid any advantage to those who can react more quickly than other market participants. The proposed rule gives the Exchange the ability to declare the timing of a Regulatory Halt immediately or at a future time to allow for broad dissemination of information. The SROs retain the discretion to cancel trades that occur after the time of the Regulatory Halt. The proposals also allow for the staggered resumption of trading to assist firms of all sizes in reentering the market after a SIP Halt affecting multiple securities. In addition, the proposals encourage early and frequent communication among the SROs, SIPs and market participants to enable the dissemination of timely and accurate information concerning the

market to market participants.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Not applicable.

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)⁵⁵ of the Act and Rule 19b-4(f)(6)⁵⁶ 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 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. The proposed rule changes will harmonize the Exchange's rules for halting and resuming trading in equity securities in the event of regulatory or operational issues so that market events which might impact multiple exchanges are handled in a consistent and transparent manner across exchanges.

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)⁵⁷ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

⁵⁵ 15 U.S.C. 78s(b)(3)(A).

⁵⁶ 17 CFR 240.19b-4(f)(6).

⁵⁷ 15 U.S.C. 78s(b)(2)(B).

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-IEX-2025-37 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-IEX-2025-37. 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 of the filing 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-IEX-2025-37 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.⁵⁸

Sherry R. Haywood,

Assistant Secretary.

⁵⁸ 17 CFR 200.30-3(a)(12).

Exhibit 5 – Text of Proposed Rule Change

Proposed new language is underlined; proposed deletions are in [braces].

INVESTORS EXCHANGE RULE BOOK

CHAPTER 1. ADOPTION, INTERPRETATION AND APPLICATION OF IEX RULES, AND DEFINITIONS

Rule 1.160. Definitions

(a)-(qq) No change.

(rr) The term “UTP Exchange Traded Products” refers to derivative securities products that are not listed on the Exchange but that trade on the Exchange pursuant to unlisted trading privileges, including the following: Equity Linked Notes, Investment Company Units, Index-Linked Exchangeable Notes, Equity Gold Shares, Equity Index-Linked Securities, Commodity-Linked Securities, Currency-Linked Securities, Fixed-Income Index-Linked Securities, Futures-Linked Securities, Multifactor-Index-Linked Securities, Trust Certificates, Currency and Index Warrants, Portfolio Depository Receipts, Trust Issued Receipts, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Paired Trust Shares, Trust Units, Managed Fund Shares, and Managed Trust Securities.

(ss[rr]) UTP Security: The term “UTP Security” shall mean any security that is not listed on the Exchange but is traded on the Exchange pursuant to unlisted trading privileges.

CHAPTER 11. TRADING RULES

Rule 11.230. Order Execution

Subject to the restrictions under these Exchange Rules or the Act and the rules and regulations thereunder, orders shall be matched for execution in accordance with this IEX Rule 11.230.

- (a) No change.
 - (1)-(2) No change.
 - (3) Compliance with Limit Up-Limit Down Plan. For any execution to occur during the Regular Market Session, such execution must comply with the Plan, as set forth in IEX Rule 11.280[(e)] and the price sliding process pursuant to IEX Rule 11.190(h)(5).

Rule 11.231. Regular Market Session Opening Process for Non-IEX-Listed Securities

- (a)-(d) No change.
- (e) If a security is subject to a halt, suspension, or pause in trading during the Pre-Market Session, the Exchange will not accept orders in the security for queuing on the Cross Book and participation in the Opening Process or otherwise. Pursuant to IEX Rule 11.[271]280, any order submitted during a halt will be rejected by the System. Any orders resting on the Order Book at the time of a trading halt will not be canceled by the System, and will be unavailable for trading or re-sweep during the trading halt, but will be available for cancellation by the submitting User. If the halt, suspension, or pause remains in effect at the start of Regular Market Hours, the Opening Process will not occur at the normally scheduled time. Instead, once the security resumes trading, the Exchange will conduct the Opening Process with any Cross Eligible Orders that remain. Following the conclusion of the Opening Process, the Exchange will accept and execute orders as usual in accordance with prevailing market session rules.
- (f) No change.

Rule 11.271. Trading Halts Due to Extraordinary Market Volatility

- (a) [The Exchange does not accept any orders in a security subject to a trading halt at the time of a trading halt. Any order submitted during a halt will be rejected by the System, except as set forth in Rule 11.350(e).] The Exchange shall halt trading in all stocks and shall not reopen for the time periods specified in this IEX Rule 11.271 if there is a Level 1, 2, or 3 Market Decline.
 - (1) For purposes of this IEX Rule 11.271, a Market Decline means a decline in price of the S&P 500[®] Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing price of the S&P 500[®] Index for the immediately preceding trading day. The Level 1, Level 2, and Level 3 Market Declines that will be applicable for the trading day will be publicly disseminated before 9:30 a.m.
 - (2) A “Level 1 Market Decline” means a Market Decline of 7%.
 - (3) A “Level 2 Market Decline” means a Market Decline of 13%.
 - (4) A “Level 3 Market Decline” means a Market Decline of 20%.

- (b) [Any orders resting on the Order Book at the time of a trading halt will not be canceled by the System, except as set forth in Rule 11.350(e). All orders resting on the Order Book in a security subject to a trading halt at the time of a trading halt will be unavailable for trading or re-sweep during the trading halt, but will be available for cancellation by the submitting User.] Halts in Trading.
- (1) If a Level 1 Market Decline or a Level 2 Market Decline occurs after 9:30 a.m. Eastern Time and up to and including 3:25 p.m. Eastern Time, or in the case of an early scheduled close, 12:25 p.m. Eastern Time, the Exchange shall halt trading in all stocks for 15 minutes after a Level 1 or Level 2 Market Decline. The Exchange shall halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Exchange will not halt trading if a Level 1 Market Decline or a Level 2 Market Decline occurs after 3:25 p.m. Eastern Time, or in the case of an early scheduled close, 12:25 p.m. Eastern Time.
 - (2) If a Level 3 Market Decline occurs at any time during the trading day, the Exchange shall halt trading in all stocks for the remainder of the trading day.
- (c) [During a trading halt, all quotes disseminated by the Exchange for such security will be set to zero.] If a primary listing market halts trading in all stocks, the Exchange will halt trading in all stocks until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. In the case of a halt resulting from a Level 1 or Level 2 Market decline, if the primary listing market does not reopen a security within 15 minutes following the end of the 15-minute halt period, the Exchange may resume trading in that security.
- (d) Nothing in this IEX Rule 11.271 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other IEX Rule or policy.
- (e) Market-Wide Circuit Breaker (“MWCB”) Testing.
- (1) The Exchange will participate in all industry-wide tests of the MWCB mechanism. Members designated pursuant to paragraph (b) of Rule 2.250 to participate in Exchange back-up systems and mandatory testing are required to participate in at least one industry-wide MWCB test each year and to verify their participation in that test by attesting that they are able to or have attempted to:
 - (A) receive and process MWCB halt messages from the securities information processors (SIPs);
 - (B) receive and process resume messages from the SIPs following a MWCB halt;
 - (C) receive and process market data from the SIPs relevant to MWCB halts; and

- (D) send orders following a Level 1 or Level 2 MWCB halt in a manner consistent with their usual trading behavior.
- (2) To the extent that a Member participating in a MWCB test is unable to receive and process any of the messages identified in paragraph (c)(1)(A)-(D) of this Rule, its attestation should notify the Exchange which messages it was unable to process and, if known, why.
- (3) Members not designated pursuant to standards established in paragraph (b) of Rule 2.250 are permitted to participate in any MWCB test.
- (f) In the event that a halt is triggered under this Rule following a Level 1, Level 2, or Level 3 Market Decline, the Exchange, together with other SROs and industry representatives (the “MWCB Working Group”), will review such event. The MWCB Working Group will prepare a report that documents its analysis and recommendations and will provide that report to the Commission within 6 months of the event.
- (g) In the event that there is (1) a Market Decline of more than 5%, or (2) an SRO implements a rule that changes its reopening process following a MWCB Halt, the Exchange, together with the MWCB Working Group, will review such event and consider whether any modifications should be made to this Rule. If the MWCB Working Group recommends that a modification should be made to this Rule, the MWCB Working Group will prepare a report that documents its analysis and recommendations and provide that report to the Commission.

Rule 11.280. Limit Up-Limit Down Plan and Trading Halts on the Exchange

- (a) [The Exchange shall halt trading in all stocks and shall not reopen for the time periods specified in this IEX Rule 11.280 if there is a Level 1, 2, or 3 Market Decline.
 - (1) For purposes of this IEX Rule 11.280, a Market Decline means a decline in price of the S&P 500® Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing price of the S&P 500® Index for the immediately preceding trading day. The Level 1, Level 2, and Level 3 Market Declines that will be applicable for the trading day will be publicly disseminated before 9:30 a.m.
 - (2) A “Level 1 Market Decline” means a Market Decline of 7%.
 - (3) A “Level 2 Market Decline” means a Market Decline of 13%.
 - (4) A “Level 3 Market Decline” means a Market Decline of 20%.]

Definitions

- (1) The term “UTP Exchange Traded Product” is defined in IEX Rule 1.160(rr).
 - (A) The term “Trust Shares” means a security (a) that is based on a unit investment trust (“Trust”) which holds the securities which comprise

an index or portfolio underlying a series of Trust Shares; (b) that is issued by the Trust in a specified aggregate minimum number in return for a “Portfolio Deposit” consisting of specified numbers of shares of stock plus a cash amount; (c) that, when aggregated in the same specified minimum number, may be redeemed from the Trust which will pay to the redeeming holder the stock and cash then comprising the “Portfolio Deposit”; and (d) that pays holders a periodic cash payment corresponding to the regular cash dividends or distributions declared with respect to the component securities of the stock index or portfolio of securities underlying the Trust Shares, less certain expenses and other charges as set forth in the Trust prospectus.

(B) The term “Index Fund Shares” means a security (a) that is issued by an open-end management investment company based on a portfolio of stocks that seeks to provide investment results that correspond generally to the price and yield performance of specified foreign or domestic stock index; (b) that is issued by such an open-end management investment company in a specified aggregate minimum number in return for a deposit of specified numbers of shares of stock and/or a cash amount with a value equal to the next determined net asset value; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such open-end investment company which will pay to the redeeming holder the stock and/or cash with a value equal to the next determined net asset value.

(C) The term “Managed Fund Shares” means a security that (a) represents an interest in a registered investment company (“Investment Company”) organized as an open-end management investment company or similar entity, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies; (b) is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value; and (c) when aggregated in the same specified minimum number, may be redeemed at a holder's request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined net asset value.

(D) The term “Trust Issued Receipts” means a security (a) that is issued by a trust (“Trust”) which holds specified securities deposited with the Trust; (b) that, when aggregated in some specified minimum number, may be surrendered to the Trust by the beneficial owner to receive the securities; and (c) that pays beneficial owners dividends and other distributions on the deposited securities, if any are declared and paid to

the trustee by an issuer of the deposited securities.

- (2) “Extraordinary Market Activity” means a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, transaction information, or regulatory messages for a sustained period.
- (3) “SIP Plan” means each of the national market system plans governing the SIPs, as applicable. Specifically, SIP Plan refers to any or all of the following national market system plans governing the collection, consolidation, and dissemination of quotation and transaction information for NMS stocks: i) the “Nasdaq UTP Plan”; ii) the Consolidated Tape Association and Consolidated Quotation Plan (“CTA/CQ Plan”); or the “CT Plan”.
- (4) “Operating Committee” has the same meaning as in each respective SIP Plan.
- (5) “Operational Halt” has the same meaning as in the SIP Plan.
- (6) “Post-Market Session” is defined in Rule 1.160(z).
- (7) “Pre-Market Session” is defined in Rule 1.160(z).
- (8) “Primary Listing Market” has the same meaning as in the SIP Plan.
- (9) “Processor” or “SIP” have the same meaning as the term “Processor” in the SIP Plan.
- (10) “Regulatory Halt” means a halt declared by the Primary Listing Market in trading in one or more securities on all Trading Centers for regulatory purposes, including for the dissemination of material news, news pending, suspensions, or where otherwise necessary to maintain a fair and orderly market. A Regulatory Halt includes a trading pause triggered by Limit Up Limit Down, a halt based on Extraordinary Market Activity, a trading halt triggered by a Market-Wide Circuit Breaker, and a SIP Halt.
- (11) “Regular Trading Hours” has the same meaning as in the SIP Plan.
- (12) “SIP Halt” has the same meaning as in the SIP Plan.
- (13) “SIP Halt Resume Time” has the same meaning as in the SIP Plan.

(b) [Halts in Trading

- (1) If a Level 1 Market Decline or a Level 2 Market Decline occurs after 9:30 a.m. Eastern Time and up to and including 3:25 p.m. Eastern Time, or in the case of an early scheduled close, 12:25 p.m. Eastern Time, the Exchange shall halt trading in all stocks for 15 minutes after a Level 1 or Level 2 Market Decline. The Exchange shall halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Exchange will not halt trading if a Level 1 Market Decline or a Level 2 Market Decline occurs after 3:25 p.m. Eastern Time, or in the case of an early scheduled close, 12:25 p.m. Eastern Time.
- (2) If a Level 3 Market Decline occurs at any time during the trading day, the Exchange shall halt trading in all stocks for the remainder of the trading day.] Regulatory Halts

(1) Authority to Implement a Regulatory Halt.

- (A) The Exchange shall implement a Regulatory Halt in the following circumstances, as applicable:
 - (i) Implementing a Trading Pause Declared by a Primary Listing Market Pursuant to the Limit Up-Limit Down Mechanism.
 - (a) Definitions for purposes of the Limit Up-Limit Down Mechanism.
 - (1) “LULD Plan” means the National Market System Plan to Address Extraordinary Market Volatility.
 - (2) All capitalized terms not otherwise defined in this Rule shall have the meanings set forth in the LULD Plan or Exchange rules, as applicable.
 - (b) Exchange Participation in the LULD Plan. The Exchange is a Participant in, and subject to the applicable requirements of, the LULD Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.
 - (c) Member Compliance. Members shall comply with the applicable provisions of the LULD Plan.
 - (d) Exchange Compliance with the LULD Plan. The System shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the LULD Plan.
 - (e) Re-pricing and Cancellation of Interest.

Depending on a User's instructions, the System shall re-price or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. When re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders. When re-priced to less-aggressive price levels such orders will have priority behind resting interest that was originally less aggressively priced but that was not re-priced, as such orders will retain their original timestamps.

(1) Market Orders and Orders with TIF of IOC or FOK. The System will only execute Market Orders or orders with a TIF of IOC or FOK at or within the Price Bands. Market Orders will be handled in accordance with Rule 11.190.

(2) Limit-priced Interest.

(A) Displayed Limit-priced Interest. Displayed limit-priced interest will be cancelled on entry or when resting if a User has entered instructions not to use the re-pricing process or a User has included a reserve quantity and such interest to buy (sell) is priced above (below) the Upper (Lower) Price Band. If re-pricing is permitted based on a User's instructions, displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band. The System shall re-price resting, displayed limit-priced interest to buy (sell) to the Upper (Lower) Price Band if Price Bands move such that the price of resting, displayed limit-priced interest to buy (sell) would be above (below) the Upper (Lower) Price Band. All other displayed limit interest repriced pursuant to this paragraph

- (e) will remain at its new price unless the Price Bands move such that the price of resting limit-priced interest to buy (sell) would again be above (below) the Upper (Lower) Price Band.
- (B) Non-displayed Limit-priced Interest. Incoming limit-priced interest that is non-displayable will be cancelled by the System if such interest to buy (sell) is priced above (below) the Upper (Lower) Price Band. Resting, non-displayed limit priced interest will be cancelled if such interest to buy (sell) is priced above (below) the Upper (Lower) Price Band (i.e., aggressively priced through the applicable Price band) or if such interest is priced below (above) the Lower (Upper) Price Band (i.e., non-aggressively priced outside of the applicable Price Band).
- (3) Pegged Interest. Pegged Orders to buy (sell) shall peg to the specified pegging price or the Upper (Lower) Price Band, whichever is lower (higher).
- (4) Routable Orders. If routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to Rule 11.230(b), provided that the System shall not route buy (sell) interest at a price above (below) the Upper (Lower) Price Band.
- (5) Sell Short Orders. During a short sale price test restriction pursuant to Rule 201 of Regulation SHO, orders with a Short Sale instruction priced below the Lower Price Band shall be repriced to the higher of the Lower Price Band or the Permitted Price, as defined in Rule 11.190(h)(4)(C).
- (ii) The Exchange shall implement a trading halt due to extraordinary market volatility, as set forth in Rule 11.271.

following the end of the 15-minute halt period, the Exchange may resume trading in that security.] UTP Exchange Traded Products

- (1) The Exchange may halt trading in UTP Exchange Traded Products on the Exchange in the following circumstances, as applicable:
 - (A) Pre-Market Session. If a UTP Exchange Traded Product begins trading on the Exchange in the Pre-Market Session and subsequently a temporary interruption occurs in the calculation or wide dissemination of the Intraday Indicative Value (“IIV”) or the value of the underlying index, as applicable, to such UTP Exchange Traded Product, by a major market data vendor, the Exchange may continue to trade the UTP Exchange Traded Product for the remainder of the Pre-Market Session.
 - (B) Regular Trading Hours. During the Regular Trading Hours, if a temporary interruption occurs in the calculation or wide dissemination of the applicable IIV or value of the underlying index by a major market data vendor and the Primary Listing Market halts trading in the UTP Exchange Traded Product, the Exchange, upon notification by the Primary Listing Market of such halt due to such temporary interruption, also shall immediately halt trading in the UTP Exchange Traded Product on the Exchange.
 - (C) Post-Market Session and Next Business Day's Pre-Market Session.
 - (i) If the IIV or the value of the underlying index continues not to be calculated or widely available after the close of the Regular Trading Hours, the Exchange may trade the UTP Exchange Traded Product in the Post-Market Session only if the Primary Listing Market traded such securities until the close of its regular trading session without a halt.
 - (ii) If the IIV or the value of the underlying index continues not to be calculated or widely available as of the commencement of the Pre-Market Session on the next business day, the Exchange shall not commence trading of the UTP Exchange Traded Product in the Pre-Market Session that day. If an interruption in the calculation or wide dissemination of the IIV or the value of the underlying index continues, the Exchange may resume trading in the UTP Exchange Traded Product only if calculation and wide dissemination of the IIV or the value of the underlying index resumes or trading in the UTP Exchange Traded Product resumes in the Primary Listing

Market.

- (d) [Nothing in this IEX Rule 11.280 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other IEX Rule or policy.] Operational Halts
- (1) Authority to Initiate an Operational Halt. The Exchange may declare an Operational Halt for any security trading on the Exchange:
- (A) if it is experiencing Extraordinary Market Activity on the Exchange; or
- (B) when otherwise necessary to maintain a fair and orderly market or in the public interest.
- (2) Initiating an Operational Halt. On the occurrence of any Operational Halt pursuant to this Rule all outstanding orders in the System will be cancelled. The Exchange will notify the SIP if it has concerns about its ability to collect and transmit Quotation Information or Transaction Reports (as those terms are defined in the SIP Plan), or if it has declared an Operational Halt or suspension of trading in one or more Eligible Securities (as those terms are defined in the SIP Plan), pursuant to the procedures adopted by the Operating Committee.
- (3) Resumption of Trading After an Operational Halt.
- (A) When the Exchange determines that trading may resume on its market in a fair and orderly manner and in accordance with its Rules it shall resume trading following an Operational Halt.
- (B) During any Operational Halt, orders entered will not be accepted.
- (C) Communications. Trading in a halted security shall resume at the time specified by the Exchange in a notice. The Exchange will notify all other Plan participants and the SIP of such an Operational Halt as well as provide notice that an Operational Halt has been lifted using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. If the SIP is unable to disseminate notice of an Operational Halt or the Exchange is not open for trading, the Exchange will take reasonable steps to provide notice of an Operational Halt, which shall include both the type and start time of the Operational Halt. Each Plan participant shall continuously monitor communication protocols established by the Operating Committee and the Processor during market hours to disseminate notice of an Operational Halt, and the failure of a participant to do so shall not prevent the Exchange from initiating an Operational Halt in accordance with the procedures specified herein.

[(e) Limit Up-Limit Down Mechanism.

- (1) Definitions.
 - (A) The term “Plan” or “Limit Up-Limit Down Plan” means the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act, as amended from time to time.
 - (B) All capitalized terms not otherwise defined in this paragraph (e) shall have the meanings set forth in the Plan or IEX Rules, as applicable.
- (2) Exchange Participation in the Plan. The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.
- (3) Member Compliance. Members shall comply with the applicable provisions of the Plan.
- (4) Exchange Compliance with the Plan. The System shall not rank, display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan.
- (5) Re-pricing and Cancellation of Interest. The System shall re-price and/or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. When re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders.
 - (A) Market Orders, FOK Orders and IOC Orders. The System will only execute market orders, FOK orders, or IOC orders at or within the Price Bands. If a market order, FOK order, or IOC order cannot be fully executed at or within the Price Bands, the System shall cancel any unexecuted portion of the order without posting such order to the Exchange’s Order Book.
 - (B) Limit-priced Interest. Both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band. The System shall re-price resting limit-priced interest to buy (sell) to the Upper (Lower) Price Band if Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the Upper (Lower) Price Band. If the Price Bands move again and the original limit price of displayed and re-priced interest is at or within the Price Band, the System shall re-price such displayed limit interest to the most aggressive permissible price up to the order’s limit price. All other displayed and non-displayed limit interest re-priced pursuant to this paragraph (e) will remain at its new price unless the Price Bands move such that the price of resting limit-priced interest to buy (sell) would again be above (below) the Upper (Lower) Price Band.
 - (C) Pegged Interest. Pegged interest to buy (sell) shall peg to the

- specified pegging price or the Upper (Lower) Price Band, whichever is lower (higher).
- (D) **Routable Orders.** If routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to IEX Rule 11.230 at a price no more aggressive than the Lower Band Price (for sell orders) or Upper Band Price (for buy orders).
 - (E) **Sell Short Orders.** During a Short Sale Price Test, as defined in IEX Rule 11.290(b), Short Sale Orders priced below the Lower Price Band shall be re-priced to the higher of the Lower Price Band or the Permitted Display Price or Permitted Non-display Book Price, as applicable, as defined in IEX Rule 11.190(h)(4)(A).
 - (F) **Auction Orders.** Auction Eligible Orders on the Auction Book are not price slid or canceled due to LULD price bands.
- (6) **Reserved.**
 - (7) **Trading Pause during a Straddle State.** The Exchange may declare a Trading Pause for a NMS Stock listed on the Exchange when (i) the National Best Bid (Offer) is below (above) the Lower (Upper) Price Band and the NMS Stock is not in a Limit State; and (ii) trading in that NMS Stock deviates from normal trading characteristics.
 - (8) **Re-opening of Trading following a Trading Pause.** At the end of the Trading Pause, the Exchange shall re-open trading in IEX-listed securities pursuant to the procedures set forth in IEX Rule 11.350(f). Trading in non-IEX-listed securities shall re-open upon receipt of the Price Bands from the single plan processor responsible for consolidation of information for the security.
- (f) All times referenced in this IEX Rule 11.280 are Eastern Time.
 - (g) **Authority to Initiate Trading Halts.** In circumstances in which IEX deems it necessary to protect investors and the public interest, IEX, pursuant to the procedures set forth in paragraph (h):
 - (1) May halt trading on IEX of an IEX-listed security to permit the dissemination of material news, provided, however, that in the Pre-Market Session IEX will halt trading for dissemination of news only at the request of an issuer or pursuant to (g)(2) below;
 - (2) May halt trading on IEX of a security listed on another national securities exchange during a trading halt imposed by such exchange to permit the dissemination of material news;
 - (3) May halt trading on IEX: (A) in a security listed on another national

securities exchange when such exchange imposes a trading halt in that security because of an order imbalance or influx (“operational trading halt”); or (B) in a security listed on IEX, when the security is a derivative or component of a security listed on another national securities exchange and such exchange imposes an operational trading halt in that security. In the event that IEX halts trading, IEX Members may commence quotations and trading otherwise than on IEX at any time following initiation of operational trading halts, without regard to whether IEX has terminated the trading halt on IEX;

- (4) May halt trading in an American Depositary Receipt (“ADR”) or other security listed on IEX, when the IEX-listed security or the security underlying the ADR is listed on or registered with another national or foreign securities exchange or market, and the national or foreign securities exchange or market, or regulatory authority overseeing such exchange or market, halts trading in such security for regulatory reasons;
- (5) May halt trading in a security listed on IEX when IEX requests from the issuer information relating to:
 - (A) material news;
 - (B) the issuer’s ability to meet IEX listing qualification requirements, as set forth in Chapters 14 and 16; or
 - (C) any other information which is necessary to protect investors and the public interest;
- (6) May halt trading in a security listed on IEX when
 - (A) extraordinary market activity in the security is occurring, such as the execution of a series of transactions for a significant dollar value at prices substantially unrelated to the current market for the security, as measured by the national best bid and offer, and
 - (B) IEX determines that such extraordinary market activity is likely to have a material effect on the market for the security; and
 - (i) IEX believes that such extraordinary market activity is caused by the misuse or malfunction of an electronic quotation, communication, reporting, or execution system operated by, or linked to, IEX; or
 - (ii) After consultation with another national securities exchange trading the security on an unlisted trading privileges basis, IEX believes that such extraordinary

market activity is caused by the misuse or malfunction of an electronic quotation, communication, reporting, or execution system operated by, or linked to, such other national securities exchange; or

- (iii) After consultation with FINRA regarding a FINRA facility trading the security, IEX believes that such extraordinary market activity is caused by the misuse or malfunction of such FINRA facility or an electronic quotation, communication, reporting, or execution systems linked to such FINRA facility.

- (7) May halt trading in a security that is the subject of an IPO on IEX.
 - (8) Reserved.
 - (9) Reserved.
 - (10) Reserved.
 - (11) Reserved.
- (h) Procedure for Initiating and Terminating a Trading Halt.
- (1) IEX issuers are required to notify IEX of the release of certain material news prior to the release of such information to the public as required by IEX Rule 14.207(b)(1).
 - (2) Notification shall be provided directly to IEX's Regulation Department in the manner specified by IEX.
 - (3) Upon receipt of information, from the issuer or other source, IEX will promptly evaluate the information, estimate its potential impact on the market and determine whether a trading halt in the security is appropriate.
 - (4) Should IEX determine that a basis exists under IEX Rule 11.280(e) or (g) for initiating an LULD trading pause or trading halt, the commencement of the trading pause or halt will be effective at the time specified by IEX in a notice posted on a publicly available IEX website.
 - (5) Trading in a halted security shall resume at or after the time specified by IEX in a notice posted on a publicly available IEX website.
 - (6) In the case of a trading halt under IEX Rule 11.280(g)(6) based on the misuse or malfunction of an electronic order entry, communication, reporting, or execution system that is not operated by IEX, IEX will promptly contact the operator of the system in question (as well as any

national securities exchange or FINRA facility to which such system is linked) to ascertain information that will assist IEX in determining whether a misuse or malfunction has occurred, what effect the misuse or malfunction is having on trading in a security, and what steps are being taken to address the misuse or malfunction. If the operator of the system is unavailable when contacted by IEX, IEX will continue efforts to contact the operator of the system to ascertain information that will assist IEX in determining whether the trading halt should be terminated.

- (A) A trading halt initiated under IEX Rule 11.280(g)(6) shall be terminated as soon as IEX determines either that the system misuse or malfunction that caused the extraordinary market activity will no longer have a material effect on the market for the security or that system misuse or malfunction is not the cause of the extraordinary market activity.
- (7) A trading halt or pause initiated under IEX Rule 11.280(e)(2), (7) or (g)(1), (4), or (5) shall be terminated when IEX releases the security for trading at the conclusion of the Halt or Volatility Auction pursuant to Rule 11.350(e) or (f), as applicable.
- (8) A trading halt initiated for a security that is the subject of an IPO on IEX pursuant to Rule 11.280(g)(7) shall be terminated when IEX releases the security for trading and the conditions described in this rule are satisfied.
 - (A) Beginning at the start of the Order Acceptance Period (generally, 8:00 a.m.) Users may enter orders in a security that is the subject of an IPO on IEX. Prior to terminating the halt, there will be a Display Only Period during which IEX will disseminate IEX Auction Information via electronic means, and Users may continue to enter Auction Eligible Orders for that security into the System.
 - (B) Between the start of the Display Only Period and the start of the Pre-Launch Period (as defined in subsection (C) below), the lead underwriter, or broker-dealer serving in the role of financial advisor for securities being priced pursuant to Rule 11.280(h)(9) (collectively, the “underwriter”), will provide the Exchange with an upper price band (“Upper IPO Price Band”) and a lower price band (“Lower IPO Price Band”) for publication, which shall together reflect the price range within which the underwriter anticipates the IPO Auction match to occur. When published, the Upper and Lower IPO Price Bands (collectively, the “IPO Price Band”) shall be disseminated via the securities information processor and proprietary data feeds.
 - (i) In determining the IPO Price Band, the underwriter shall

take into account all Auction Eligible Orders for the IPO Auction, including all orders on the Exchange's Order Book, as well as the underwriter's own interest, and interest represented by the underwriter;

- (ii) If the current published IPO Price Band spread is greater than \$1.00, the underwriter shall make best efforts to provide the Exchange with an updated IPO Price Band with a spread of \$1.00 or less for publication before the IPO Auction match; and
 - (iii) A minimum of one minute must elapse between publication of the last IPO Price Band and the IPO Auction match.
- (C) At least fifteen (15) minutes after the start of the Display Only Period, the underwriter shall advise the Exchange to enter into a "Pre-Launch Period" of indeterminate duration. The Pre-Launch Period and the Display Only Period shall end, and the security shall be released for trading by IEX when the following conditions are all met, and the requirements of Rule 11.350(e)(2) are satisfied:
- (i) All market orders will be executed in the IPO Auction;
 - (ii) The underwriter has selected a final IPO Price Band that is at or within the last published IPO Price Band;
 - (iii) The IPO Auction clearing price is at or within the IPO Price Band selected by the underwriter under subsection (ii) above; and
 - (iv) IEX receives notice from the underwriter of the IPO that the security is ready to trade.
- (C) The failure to satisfy the conditions of subsection (C) above will result in a delay of the release for trading of the IPO, and a continuation of the Pre-Launch Period, during which the underwriter may provide one or more updated IPO Price Bands to the Exchange for publication pursuant to subsection (B) above, until all of the conditions of subsection (C) have been satisfied. The underwriter, with concurrence of IEX, may determine at any point during the IPO Auction process up through the conclusion of the Pre-Launch Period to postpone and reschedule the IPO. Market participants may continue to enter orders and order cancellations for participation in the IPO Auction during the Pre-Launch Period until the auction match.

.01 Non-Member Underwriters. The underwriter for a security that is the subject of an IPO on IEX must be a Member of the Exchange, or appoint a Member of the Exchange to perform the functions under Rule 11.280(h)(8) that are performed by the underwriter with respect to the IPO Auction.

- (9) For purposes of this IEX Rule and IEX Rule 11.350(e), the process for halting and initial pricing of a security that is the subject of an IPO shall also be available for the initial pricing of any other security that has not been listed on a national securities exchange or traded in the over-the-counter market pursuant to FINRA Form 211 immediately prior to the initial pricing, provided that a broker-dealer serving in the role of financial advisor to the issuer of the securities being listed is willing to perform the functions under IEX Rule 11.280(h)(8) that are performed by an underwriter with respect to an initial public offering.
- (i) Market-Wide Circuit Breaker (“MWCB”) Testing.
 - (1) The Exchange will participate in all industry-wide tests of the MWCB mechanism. Members designated pursuant to paragraph (b) of Rule 2.250 to participate in Exchange back-up systems and mandatory testing are required to participate in at least one industry-wide MWCB test each year and to verify their participation in that test by attesting that they are able to or have attempted to:
 - (A) receive and process MWCB halt messages from the securities information processors (“SIPs”);
 - (B) receive and process resume messages from the SIPs following a MWCB halt;
 - (C) receive and process market data from the SIPs relevant to MWCB halts; and
 - (D) send orders following a Level 1 or Level 2 MWCB halt in a manner consistent with their usual trading behavior.
 - (2) To the extent that a Member participating in a MWCB test is unable to receive and process any of the messages identified in paragraph (i)(1)(A)-(D) of this Rule, its attestation should notify the Exchange which messages it was unable to process and, if known, why.
 - (3) Members not designated pursuant to standards established in paragraph (b) of Rule 2.250 are permitted to participate in any MWCB test.

- (j) In the event that a halt is triggered under this Rule following a Level 1, Level 2, or Level 3 Market Decline, the Exchange, together with other SROs and industry representatives (the “MWCB Working Group”), will review such event. The MWCB Working Group will prepare a report that documents its analysis and recommendations and will provide that report to the Commission within 6 months of the event.
- (k) In the event that there is (1) a Market Decline of more than 5%, or (2) an SRO implements a rule that changes its reopening process following a MWCB Halt, the Exchange, together with the MWCB Working Group, will review such event and consider whether any modifications should be made to this Rule. If the MWCB Working Group recommends that a modification should be made to this Rule, the MWCB Working Group will prepare a report that documents its analysis and recommendations and provide that report to the Commission.]

Rule 11.350. Auctions.

- (a) Definitions.
- (1) The term “Auction Book” refers to the orders specified below that queue prior to the auction match, and shall mean:
- (A)-(D) No change
- (E) For Volatility Auctions (i.e., Volatility Auction Book):
- (i) On-Close orders, if an IEX-listed security is paused pursuant to IEX Rule 11.280[(e)] at or after the Closing Auction Lock-in Time, or the Order Acceptance Period of a Volatility Auction for a security paused before the Closing Auction Lock-in Time pursuant to IEX Rule 11.280[(e)] would otherwise be extended by the Exchange to a time after the Closing Auction Lock-in Time;
- (ii)-(v) No change.
- (2)-(5) No change.
- (6) The term “Final Consolidated Last Sale Eligible Trade” shall mean the last trade prior to the end of Regular Market Hours, or where applicable, prior to trading in the security being halted or paused, that is last sale eligible and reported to the Consolidated Tape System (“Consolidated Tape”), rounded to the nearest MPV or Midpoint Price calculated by the System, whichever is closer.
- (A) If there is no qualifying Final Consolidated Last Sale Eligible Trade for the current day, the previous official closing price;
- (i) If there is no qualifying previous official closing price for a security that is not the subject of an IPO or otherwise being

- priced pursuant to Rule 11.280[(h)(9)], the issue price; and
- (B) In the case of an IPO or the initial pricing of any other security pursuant to Rule 11.280[(h)(9)], the issue price.
- (7) The term “Final Last Sale Eligible Trade” shall mean the last trade on IEX prior to the end of Regular Market Hours, or where applicable, prior to trading in the security being halted or paused, that is last sale eligible and reported to the Consolidated Tape.
- (A) If there is no qualifying Final Last Sale Eligible Trade for the current day, the previous official closing price;
 - (i) If there is no qualifying previous official closing price for a security that is not the subject of an IPO or otherwise being priced pursuant to Rule 11.280[(h)(9)], the issue price; and
 - (B) In the case of an IPO or the initial pricing of any other security pursuant to Rule 11.280[(h)(9)], the issue price.
- (8) No change.
- (9) The term “IEX Auction Information” shall mean the information disseminated pursuant to Rule 11.330(a) regarding the current status of price, size, imbalance information, auction collar information, and other relevant information related to auctions conducted by the Exchange. IEX Auction Information shall include:
- (A)-(F) No change.
 - (G) Collar Reference Price: Opening/Closing Auction Collar Reference Price for the Opening and Closing Auctions. Volatility Auction Collar Reference Price for the Volatility Auction. For an IPO Auction, the Volume Based Tie Breaker, unless such price is above (below) the most current Upper (Lower) IPO Price Band published by the Exchange pursuant to Rule 11.280[(h)(8)], in which case the Collar Reference Price shall be equal to the Upper (Lower) IPO Price Band.
 - (H) Lower Auction Collar: The lower threshold of the Opening/Closing Auction Collar for the Opening and Closing Auctions. The lower threshold of the Volatility Auction Collar for the Volatility Auction. For an IPO Auction, the most current Lower IPO Price Band published by the Exchange pursuant to Rule 11.280[(h)(8)]. If the underwriter has not provided an IPO Price Band to the Exchange for publication, the Lower Auction Collar will be equal to the Volume Based Tie Breaker.

(I) Upper Auction Collar: The upper threshold of the Opening/Closing Auction Collar for the Opening and Closing Auctions. The upper threshold of the Volatility Auction Collar for the Volatility Auction. For an IPO Auction, the most current Upper IPO Price Band published by the Exchange pursuant to Rule 11.280[(h)(8)]. If the underwriter has not provided an IPO Price Band to the Exchange for publication, the Upper Auction Collar will be equal to the Volume Based Tie Breaker.

(J)-(K) No change.

(10)-(28) No change.

(29) The term “Order Acceptance Period” shall be in reference to the period of time during which IEX accepts orders submitted for participation in an IPO, Halt, or Volatility Auction. The Order Acceptance Period shall end when the applicable auction match occurs. The Order Acceptance Period shall begin:

(A) No change.

(B) For a Halt Auction, five (5) minutes prior to the scheduled auction match, or immediately after a Level 1 or Level 2 Market Decline pursuant to Rule 11.[280]271(a)(1)-(3); and

(C) No change.

(d) Closing Auction.

(1) No change.

(2) Closing Auction Process. The Exchange will conduct a Closing Auction for all IEX-listed securities.

(A)-(C) No change.

(D) If a halt is disseminated in an IEX-listed security prior to the Closing Auction, all orders on the Auction Book will remain open. Users may resume submission of new or modifications to existing Auction Eligible Orders for the halted security during the Order Acceptance Period. Users may cancel open Auction Eligible Orders at any time during the halt. If a halt persists through the end of Regular Market Hours, no Closing Auction will occur, all On-Open orders, On-Close orders, pegged orders, market orders, and limit orders with a TIF of DAY will be canceled at the conclusion of Regular Market Hours, and the Final Last Sale Eligible Trade will be the IEX Official Closing Price. However, where an IEX-listed security is paused pursuant to IEX Rule 11.280[(e)] at or

after the Closing Auction Lock-in Time, or the Order Acceptance Period of a Volatility Auction for a security paused before the Closing Auction Lock-in Time pursuant to IEX Rule 11.280[(e)] would otherwise be extended by the Exchange to a time after the Closing Auction Lock-in Time, On-Close orders are added to the Volatility Auction and such auction will be used to determine the IEX Official Closing Price for the subject security at the conclusion of Regular Market Hours in accordance with Rule 11.350(f)(3) below.

(3)-(4) No change.

(e) IPO and Halt Auctions. For trading in an IEX-listed security in an initial public offering (an “IPO”), or the initial pricing of any other security pursuant to Rule 11.280[(h)(9)], the Exchange will conduct an IPO Auction, as described below. Following a trading halt in an IEX-listed security pursuant to IEX Rule 11.280[(g)(1), (4), or (5)], the Exchange will conduct a Halt Auction, as described below.

(1) No change.

(2) IPO and Halt Auction Process.

(A) No change.

(B) Extending the Order Acceptance Period. The Order Acceptance Period will be extended:

(i)-(ii) No change.

(iii) Automatically in an IPO Auction when the conditions set forth in Rule 11.280[(h)(8)(C)] are not satisfied, until all such conditions are satisfied; or

(iv) No change.

(C)-(D) No change.

(3)-(4) No change.

••• Supplementary Material •••

.01 The Exchange will conduct an IPO Auction for securities that are the subject of an initial public offering. Pursuant to section 12(f)(1)(G)(i)-(ii) of the Securities and Exchange Act, a security is the subject of an initial public offering if the offering of the subject security is registered under the Securities Act of 1933, the issuer of the security, immediately prior to filing the registration statement with respect to the offering, was not subject to the reporting requirements of the Securities and Exchange Act, and the initial public offering of such security commences at the opening of trading on the day on which such security commences trading on the national securities exchange with which such security is registered. In addition, the Exchange will also conduct an IPO Auction for the initial pricing of any other security pursuant to Rule 11.280[(h)(9)]. Pursuant to Rule

11.280[(h)(9)], the process for halting and initial pricing of a security that is the subject of an IPO shall also be available for the initial pricing of any other security that has not been listed on a national securities exchange or traded in the over-the-counter market pursuant to FINRA Form 211 immediately prior to the initial pricing, provided that a broker-dealer serving in the role of financial advisor to the issuer of the securities being listed is willing to perform the functions under IEX Rule 11.280[(h)(8)] that are performed by an underwriter with respect to an initial public offering.

.02 Initial trading for an IEX-listed security that is not the subject of an IPO or otherwise being priced pursuant to Rule 11.280[(h)(9)] will be eligible to begin trading in the Pre-Market Session and have an Opening Auction on IEX at the start of Regular Market Hours. For example, if an issuer with a class of common stock listed on IEX offers and lists a preferred class of securities on IEX, the offering of such securities would not constitute an initial public offering pursuant to section 12(f)(1)(G)(i) of the Securities and Exchange Act. Therefore, if the security does not qualify for the process of halting and initial pricing of a security pursuant to Rule 11.280[(h)(9)] (e.g., because there is no broker-dealer serving in the role of financial advisor to the issuer of the securities being listed that is willing to perform the functions under IEX Rule 11.280[(h)(8)] that are performed by an underwriter with respect to an initial public offering), such security will be eligible for trading in the Pre-Market Session and have an Opening Auction on IEX at the start of Regular Market Hours.

-
- (f) Volatility Auction. The Volatility Auction is used to re-open an IEX-listed security after such security is subject to an LULD trading pause pursuant to IEX Rule 11.280[(e)].
- (1) Order Entry and Cancellation Before a Volatility Auction.
- (A) Auction Eligible Orders may be submitted to the Exchange at the beginning of the five (5) minute Order Acceptance Period for participation in a Volatility Auction. However, when an IEX-listed security is paused pursuant to IEX Rule 11.280[(e)] at or after the Closing Auction Lock-in Time, or if the Order Acceptance Period of a Volatility Auction for a security paused before the Closing Auction Lock-in Time pursuant to IEX Rule 11.280[(e)] would be in effect at the Closing Auction Lock-in Time, the Order Acceptance Period shall continue to the end of the Regular Market Session.
- (B)-(C) No change.
- (2) Volatility Auction Process.
- (A)-(B) No change.
- (C) Conditions for Extending the Order Acceptance Period. The Order Acceptance Period will be extended:
- (i)-(ii) No change.

- (iii) Automatically to the end of Regular Market Hours where an IEX-listed security is paused pursuant to IEX Rule 11.280[(e)] at or after the Closing Auction Lock-in Time, or the Order Acceptance Period of a Volatility Auction for a security paused before the Closing Auction Lock-in Time pursuant to IEX Rule 11.280[(e)] would be in effect at the Closing Auction Lock-in Time, in which case the IEX Official Closing Price will be determined by the Volatility Auction pursuant to section (3) below.

(D)-(H) No change.

- (3) Closing with a Volatility Auction. Where an IEX-listed security is paused pursuant to IEX Rule 11.280[(e)] at or after the Closing Auction Lock-in Time, or the Order Acceptance Period of a Volatility Auction for a security paused before the Closing Auction Lock-in Time pursuant to IEX Rule 11.280[(e)] would otherwise be extended by the Exchange to a time after the Closing Auction Lock-in Time, no Closing Auction for the security will occur. Instead, the Exchange will conduct a Volatility Auction at the end of Regular Market Hours to determine the IEX Official Closing Price for the security.

- (A) Order Entry and Cancellation Before Closing with a Volatility Auction.

(i)-(ii) No change

- (iii) When an IEX-listed security is paused pursuant to IEX Rule 11.280[(e)] at or after the Closing Auction Lock-in Time, or the Order Acceptance Period of a Volatility Auction for a security paused before the Closing Auction Lock-in Time pursuant to IEX Rule 11.280[(e)] would otherwise be extended by the Exchange to a time after the Closing Auction Lock-in Time, non-displayed interest with a TIF of DAY and pegged orders will be immediately canceled, in order to allow Users to re-enter such interest as Auction Eligible Orders.

(iv)-(v) No change.

(B)-(D) No change.

(g)-(j) No change.

CHAPTER 16. OTHER SECURITIES

Rule 16.111. Trading of Certain Derivative Securities

(a)-(h) No change.

(i) Trust Units

(1)-(4) No change.

(5) Initial and Continued Listing. Trust Units will be listed and/or traded on IEX subject to application of the following criteria:

(A) No change.

(B) Continued Listing.

(i) No change.

(ii) IEX will halt trading in a series of Trust Units if the circuit breaker parameters in IEX Rule 11.[280]271 have been reached. In exercising its discretion to halt or suspend trading in a series of Trust Units, IEX may consider any relevant factors. In particular, if the portfolio and net asset value per share are not being disseminated as required, IEX may halt trading during the day in which the interruption to the dissemination of the portfolio holdings or net asset value per share occurs. If the interruption to the dissemination of the portfolio holdings or net asset value per share persists past the trading day in which it occurred, IEX will halt trading no later than the beginning of the trading day following the interruption.

(j) Managed Trust Securities

(1)-(5) No change.

(6) Initial and Continued Listing. Managed Trust Securities will be listed and traded on IEX subject to application of the following criteria:

(A) No change.

(B) Continued Listing. Each series of Managed Trust Securities will be listed and traded on IEX subject to application of the following continued listing criteria:

(i)-(iv) No change.

(v) Trading Halts. If the Intraday Indicative Value of a series of Managed Trust Securities is not being disseminated as required, IEX may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value occurs. If the interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred, IEX will halt trading no later than the

beginning of the trading day following the interruption. If a series of Managed Trust Securities is trading on IEX pursuant to unlisted trading privileges, IEX will halt trading in that series as specified in IEX Rule 11.271, IEX Rule 11.280, [IEX Rule 16.170] or Supplementary Material .01(c) to IEX Rule 14.207, as applicable. In addition, if IEX becomes aware that the net asset value or the Disclosed Portfolio with respect to a series of Managed Trust Securities is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value or the Disclosed Portfolio is available to all market participants.

(vi) No change.

(C)-(E) No change.

(7)-(8) No change.

Rule 16.160. Derivative Securities Traded under Unlisted Trading Privileges

IEX may extend unlisted trading privileges to any UTP S[s]ecurity (see IEX Rule 1.160(ss)), that is an NMS Stock (as defined in Rule 600 of Regulation NMS under the Act) that is listed on another national securities exchange. Any such security will be subject to all IEX trading rules applicable to NMS Stocks, unless otherwise noted, including provisions of IEX Rule 11.280, Chapter 14, and Chapter 16.

- (a) Any security that is a "new derivative securities product" as defined in Rule 19b-4(e) under the Act (a "UTP Exchange Traded Product[Derivative Security]" as defined in IEX Rule 1.160(rr)) and traded under unlisted trading privileges pursuant to Rule 19b-4(e) under the Act shall be subject to the additional following rules:
- (1) Information Circular. IEX shall distribute an information circular prior to the commencement of trading in each such UTP Exchange Traded Product[Derivative Security] that generally includes the same information as contained in the information circular provided by the listing exchange, including: (a) the special risks of trading the new derivative securities product; (b) the Rules of IEX that will apply to the new derivative securities product, including Rule 3.170; (c) information about the dissemination of the value of the underlying assets or indexes; and (d) the applicable system hours for the UTP Exchange Traded Product[Derivative Security] and the risks of trading during the period from 8:00 a.m. to 9:30 a.m. and from 4:00 p.m. to 7:00 p.m. due to the lack of calculation or dissemination of the underlying index value, the Intra-Day Indicative Value (as defined in IEX Rule 16.105(a)(3)(C)) or a similar value.

(2) Product Description.

Members are subject to the prospectus delivery requirements under the Securities Act of 1933, unless the UTP Exchange Traded Product[Derivative Security] is the subject of an order by the Commission exempting the product from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and the product is not otherwise subject to prospectus delivery requirements under the Securities Act of 1933.

IEX shall inform Members of the application of the provisions of this subparagraph to UTP Exchange Traded Products[Derivative Securities] by means of an information circular. IEX requires that Members provide all purchasers of UTP Exchange Traded Products[Derivative Securities] a written description of the terms and characteristics of those securities, in a form approved by IEX or prepared by the open-ended management company issuing such securities, not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, Members shall include a written description with any sales material relating to UTP Exchange Traded Products[Derivative Securities] that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to the

UTP Exchange Traded Products[Derivative Securities] as an investment vehicle must include a statement substantially in the following form:

"A circular describing the terms and characteristics of [[]{the UTP Exchange Traded Products[Derivative Securities]}[[]] has been prepared by the [[]{open-ended management investment company name}[[]] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [[]{the UTP Exchange Traded Products[Derivative Securities]}[[]]."

A Member carrying an omnibus account for a non-Member is required to inform such non-Member that execution of an order to purchase UTP Exchange Traded Products[Derivative Securities] for such omnibus account will be deemed to constitute an agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to the Member under this IEX Rule.

Upon request of a customer, a Member shall also provide a prospectus for the particular UTP Exchange Traded Products[Derivative Securities].

- (3) Trading Halts. Trading halts of UTP Exchange Traded Products[Derivative Securities] shall be governed by IEX Rule 11.271, 11.280, [IEX Rule 16.170,]or Supplementary Material .01(c) to IEX Rule 14.207.
- (4) Limitations on Market Makers. Market makers in a UTP Exchange Traded Product[Derivative Security] that is a Commodity-Related Security (as defined in IEX Rule 16.127) shall comply with IEX Rule 16.127.
- (5) Surveillance. IEX shall enter into a comprehensive surveillance sharing agreement with markets trading components of the index or portfolio on which the UTP Exchange Traded Product[Derivative Security] is based to the same extent as the listing exchange's rules require the listing exchange to enter into a comprehensive surveillance sharing agreement with such markets.

[Rule 16.170. Trading Halts for Trading of Certain Derivative Securities Products on IEX Pursuant to Unlisted Trading Privileges

- (a) During Pre-Market Session. If a Derivative Securities Product begins trading on IEX in the Pre-Market Session and subsequently a temporary interruption occurs in the calculation or wide dissemination of an applicable Required Value, IEX may continue to trade the Derivative Securities Product for the remainder of the Pre-Market Session.
- (b) During Regular Market Hours. During the Regular Market Hours, if a temporary interruption occurs in the calculation or wide dissemination of an applicable Required Value, and the listing market halts trading in the Derivative Securities Product, IEX, upon notification by the listing market of a halt due to such temporary interruption, also shall immediately halt trading in the Derivative Securities Product on IEX.
- (c) Post-Market Session and Next Trading Day.
 - (1) If an applicable Required Value continues not to be calculated or widely disseminated after the close of the Regular Market Session, IEX may trade the Derivative Securities Product in the Post-Market Session only if the listing market traded the Derivative Securities Product until the close of its regular trading session without a halt.
 - (2) If an applicable Required Value continues not to be calculated or widely disseminated as of the beginning of the Pre-Market Session on the next trading day, IEX shall not commence trading of the Derivative Securities Product in the Pre-Market Session that day. If an interruption in the calculation or wide dissemination of an applicable Required Value continues, IEX may resume trading in the Derivative Securities Product

only if calculation and wide dissemination of the applicable Required Value resumes or trading in the Derivative Securities Product resumes in the listing market.

- (d) Definitions. For purposes of this IEX Rule:
- (1) Derivative Securities Product means a series of Portfolio Depository Receipts, Index Fund Shares, Managed Fund Shares, or Trust Issued Receipts (as defined in IEX Rules 16.105, 16.135, and 16.120, respectively), a series of Commodity-Related Securities (as defined in IEX Rule 16.127), securities representing interests in unit investment trusts or investment companies, Index-Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, or Managed Trust Securities (as defined in IEX Rule 16.111(a) - (j)), or any other UTP Derivative Security (as defined in IEX Rule 16.160).
 - (2) Required Value shall mean (i) the value of any index or any commodity-related value underlying a Derivative Securities Product, (ii) the indicative optimized portfolio value, intraday indicative value, or other comparable estimate of the value of a share of a Derivative Securities Product updated regularly during the trading day, (iii) a net asset value in the case of a Derivative Securities Product for which a net asset value is disseminated, and (iv) a Disclosed Portfolio in the case of a Derivative Securities Product that is a series of Managed Fund Shares, as defined in IEX Rule 16.135, or Managed Trust Securities, as defined in IEX Rule 16.111(j).]