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

File No. * SR 2026 - * 15

Amendment No. (req. for Amendments *)

Filing by Investors' Exchange LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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|--|---|--|--|--|---|
| 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"/> |
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| 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) | | |
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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 update the options opening process

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 * Gwen Last Name * Licardo

Title * Lead Regulation Counsel

E-mail * gwen.licardo@iextrading.com

Telephone * (646) 343-2138 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 05/12/2026

(Title *)

By Claudia Crowley
(Name *)

Chief Regulatory Officer

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.

CLAUDIA OZAROFF CROWLEY
Digitally signed by CLAUDIA OZAROFF CROWLEY
Date: 2026.05.12 15:47:30 -04'00'

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 EFFS website.

Form 19b-4 Information *

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Opening Auction Process 19b4 v. 7 fo

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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Options Opening Process Ex 1 for fillin

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 *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

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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

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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

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

Options Opening Process Ex. 5 v 6 for

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule to replace the current price discovery auction opening process for option series with a simpler deterministic midpoint crossing process. The Exchange has designated this rule change as “non-controversial” under Section 19(b)(3)(A) of the Act³ and provided the Commission with the notice required by Rule 19b-4(f)(6) thereunder.⁴

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

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

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with

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.

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
917-509-9001

Gwen Licardo
Lead Regulation Counsel
Investors Exchange LLC
646-343-2138

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

a. Purpose

The Exchange proposes to amend Rule 22.160⁵ to replace the current price discovery auction opening process⁶ for option series with a simpler deterministic midpoint crossing process opening process. As proposed, the opening process would be based on sequential evaluations of market conditions. If there is a possible trade on IEX, the Exchange would determine a single opening price for the series as the midpoint of the NBBO⁷, rounded up if necessary. After the opening price has been established, the Exchange would match existing orders and quotes in the System⁸ based on a pro-rata allocation at the opening price until there is no remaining volume or there is an imbalance of orders. Orders not matched, in whole or in part, will be handled at the conclusion of the Opening Process as specified in proposed Rule 22.160(d).

If no trade is possible on the Exchange (because there are no quotes or orders in

⁵ Conforming and related amendments are also proposed to Rules 22.250 and 22.260.

⁶ Currently Rule 22.160 – Market Opening Procedures - provides for the determination of an opening price for an option series based on a price discovery auction of quotes and orders from liquidity providers on the Exchange's order book that results in the determination of an opening price. See Rule 22.160.

⁷ See Rule 17.100.

⁸ "System" means the automated trading system used by IEX Options for the trading of options contracts. See Rule 22.100(a).

the series that could be matched at any price), the Exchange would open the series without determining an opening price by disseminating the best bid and offer among quotes and orders that exist in the System at that time.

The Exchange believes the proposed opening process, which would apply to the opening of trading at the start of Regular Market Hours⁹ and during the resumption of trading following a trading halt, will be less operationally complex than the current process, while providing a fair, neutral execution benchmark tied to the prevailing market.¹⁰ As discussed below, the proposed process is based on MIAX Sapphire's opening process¹¹ with several minor differences to account for different rule structures and allocation methodologies.¹²

Proposal

Initiation of the Opening Process

The Exchange proposes to initiate the Opening Process when the “Market for the Underlying Security”¹³ first disseminates, at or after 9:30 a.m. ET, both a two-sided quote on the underlying security and a trade of any size that is at or within the quote (i.e., the “Opening Trigger”). The proposed rule text defines “Opening Trigger” in substantially the same way as the definition of “Auction Trigger” in the current rule text, except that

⁹ “Regular Market Hours” means the time between 9:30 a.m. and 4:00 p.m. Eastern Time (“ET”). See Rule 1.160(gg).

¹⁰ IEX anticipates launching its options market in October 2026. On September 18, 2025, the Commission approved IEX's proposed rules to govern the trading of options contracts on IEX. See Securities Exchange Act Release No. 103998 (September 18, 2025), 90 FR 45861 (September 23, 2025).

¹¹ See MIAX Sapphire Rule 503.

¹² See Rule 22.170(b) (pro rata allocation) and MIAX Sapphire Rule 514(b) (price-time allocation).

¹³ See proposed Rule 22.160(a)(3); MIAX Sapphire Rule 503(a)(3). The Exchange proposes to determine the Market for the Underlying Security on a class-by-class basis and will publish this information on the Exchange's website.

the Exchange proposes to replace the term “Primary Market” with the “Market for the Underlying Security.” The latter is a broader term that encompasses not just the listing exchange for the underlying security, but also the market with the most liquidity in the underlying security for the previous two months or the first market to open the underlying security.¹⁴ In the case of opening following a trading halt, the Opening Trigger would be a resume message from the Market for the Underlying Security followed by a two-sided quote and a trade of any size that is at or within the quote in the underlying security.¹⁵

Following receipt of the Opening Trigger, the Exchange will disseminate a message to market participants indicating the initiation of the Opening Process and the System will pause for a period of time no longer than one-half second to allow the market to absorb the information.¹⁶ However, under proposed Rule 22.160(c)(1), the opening process (or resumption of trading following a halt) would not proceed if the best bid(s) (offer(s)) disseminated by away options exchanges (the “Away Best Bid or Offer” or “ABBO”)¹⁷ is crossed.

As proposed, quotes, limit orders designated “Day,” and market orders (collectively defined as “Eligible Interest”) may be entered into the System beginning at 8:00 a.m. ET, and will be eligible to participate in the Opening Process.¹⁸ Quotes and limit orders with a time in force of Immediate or Cancel (“IOC”) are not included in the definition of Eligible Interest and may only be entered following the transition to

¹⁴ The Exchange would determine the Market for the Underlying Security on a class-by-class basis, announced to Members on the IEX website.

¹⁵ See proposed Rule 22.160(a)(4)(B).

¹⁶ See proposed Rule 22.160(c).

¹⁷ See proposed Rule 17.100.

¹⁸ See proposed Rule 22.160(a)(2).

continuous trading, as set forth in proposed Rule 22.160(d).

Opening Process Where There is a Possible Trade on the Exchange

The Opening Process would initially determine whether there is locking or crossing interest in the option series on the Exchange or interest on the Exchange that locks or crosses the NBB¹⁹ or NBO.²⁰ If so, the NBBO bid/ask differential must be within a specified range, i.e., the “Valid Width NBBO.”²¹ Under proposed Rule 22.160(a)(5), Valid Width NBBO means the combination of all away market quotes and any combination of Market Maker²² orders and quotes received from a minimum number of Away Markets and a minimum number of Market Makers within a specified bid/ask differential.²³ However, away markets that are crossed would void all Valid Width NBBO calculations, and the Exchange would exclude from the Valid Width NBBO calculation any Market Maker orders or quotes on the Exchange that are crossed internally. The Exchange would consider any IEX Market Maker orders or quotes that lock or cross the ABBO to be at the locked or crossed ABBO price for purposes of calculating the Valid Width NBBO. The Exchange proposes to determine the bid/ask differentials for the Valid Width NBBO based on the underlying security and publish them on the IEX Options website.

In either scenario described above (locking or crossing interest on the Exchange or interest on the Exchange that locks or crosses the NBB or NBO), provided that a Valid Width NBBO is present, the Exchange will determine a single price at which the option

¹⁹ See Rule 17.100.

²⁰ See Rule 17.100.

²¹ See proposed Rule 22.160(c)(1)(A).

²² See Rule 17.100.

²³ See proposed Rule 22.160(c)(1)(5).

series will be opened (the “Opening Price”) which will be the midpoint of the Valid Width NBBO (the “NBBO Midpoint”).²⁴

Opening Process Matching Methodology

Once the Exchange has established an Opening Price in the manner set forth above, the Exchange proposes to execute matches of Eligible Interest at the Opening Price and will continue to do so until there is no remaining volume or an imbalance of orders. The Exchange proposes to retain the existing “Auction Ranking” provision in current Rule 22.160(b), which it proposes to rename “Opening Order Ranking” and to make minor conforming and clarifying edits in the proposed rule text.²⁵ Accordingly, market orders will be ranked ahead of limit orders; limit orders and quotes will be ranked by their limit price; and orders and quotes at the same price will be allocated pursuant to Rule 22.170,²⁶ but without Market Maker or Specialist entitlements.²⁷ The Exchange notes that this provision differs from MIAX Sapphire’s opening process because IEX will use a pro rata allocation method, whereas MIAX Sapphire uses a price-time allocation

²⁴ See proposed Rule 22.160(c)(2)(A).

²⁵ The Exchange proposes to add a clarifying preamble to the first sentence: “[i]f there is an imbalance of orders and quotes that are potentially eligible to participate in the Opening Process.” In addition, the Exchange proposes to change the order of the subparagraphs so that the current subparagraph (2) will be new subparagraph (1), also for clarifying purposes. The remaining edits are conforming edits to replace the term “Auction” with the term “Opening Process.”

²⁶ Rule 22.170(b) sets forth the Exchange’s pro rata allocation methodology: “[R]esting quotes and orders on the IEX Options Book are prioritized according to price. If there are two or more quotes or orders at the best price, then the contracts are allocated proportionally according to size (in a pro-rata fashion), rounded down to the nearest whole contract. If there are residual contracts to be filled, the quote or order with the largest remaining size (based on the pro rata calculation) will receive the first contract, and each successive contract (if any) will be allocated to each subsequent quote or order based on size (largest to smallest). If there are two or more quotes or orders with the same remaining size, then the quote or order with the first time priority will be allocated [to] the next contract. Each successive contract (if any) will be allocated in the same manner.

²⁷ See proposed Rules 22.160(b) and 22.160(c)(2)(B).

method.²⁸

Any unexecuted contracts at the conclusion of the Opening Process will be handled as set forth in the “Transition to Continuous Trading” section in proposed Rule 22.160(d), as described below.²⁹ The Exchange will report all executions in the Opening Process at the Opening Price, trade reported anonymously, and disseminated via a national market system plan.³⁰ In addition, the Exchange proposes new rule text providing that if a Market Maker using the same MPID submits orders that lock or cross each other during the Opening Process, the System would cancel the oldest order or quote before execution.³¹

Opening Process Where There is No Possible Trade on the Exchange

If there is no locking or crossing interest on the Exchange or interest on the Exchange that locks or crosses the NBB or NBO, the Exchange would open the series without determining an opening price³² based on one of the following: (i) a Valid Width NBBO is present; (ii) a certain minimum number of exchanges have disseminated a firm quote on OPRA; or (iii) after a configured time out period has elapsed.³³ The Exchange would open the series for trading by disseminating the Exchange’s best bid and offer among quotes and orders that exist in the System at that time to OPRA and proprietary data feeds. Any remaining orders in the System would be handled pursuant to proposed

²⁸ See MIA X Sapphire Rule 503(b)(2)(ii).

²⁹ See proposed Rule 22.160(c)(2)(C).

³⁰ See proposed Rule 22.160(c)(2)(D).

³¹ See proposed Rule 22.160(f). The proposed rule text is based substantially on MIA X Sapphire Rule 503(d).

³² See proposed Rule 22.160(c)(3).

³³ See proposed Rule 22.160(c)(1)(B)(i) - (iii). The Exchange would post the applicable period of time that will apply under proposed Rule 22.160(c)(1)(B)(iii) on its website.

Rule 22.160(d), “Transition to Continuous Trading,” as described below. The Exchange is not proposing any changes to its order processing rule during a trading halt.³⁴

Transition to Continuous Trading

After the Opening Process is completed, orders and quotes received prior to the Opening Process, and not executed in full during the Opening Process, will be transitioned to the continuous order book and handled in accordance with existing IEX rules, as applicable. Accordingly, IEX proposes conforming edits to Rule 22.160(f) (now re-lettered as (d)) to reflect this approach.

Deviations from the Standard Opening Process

The Exchange proposes to amend the existing provision in Rule 22.160(h) that provides that when in the judgment of the Exchange the interests of fair and orderly markets require the Exchange may adjust the timing of or suspend the Auctions. As proposed, new paragraph (e) to Rule 22.160 will provide that the Exchange’s Market Operations personnel would be authorized to manually override the standard Opening Process, including to delay or compel the opening of any series in any option class, when necessary in the interests of commencing or maintaining a fair and orderly market, in the event of unusual market conditions or in the public interest.³⁵ This could be appropriate if, for example, a series would otherwise be unable to open because the Market Maker

³⁴ See Rule 22.160(g). During a trading halt, the Exchange would process new and existing orders and quotes by (i) canceling all resting Market Maker quotes in the series; (ii) re-pricing all other resting orders on the IEX Options Book to their limit price; (iii) accepting and processing all cancellations; (iv) rejecting incoming IOC Limit orders; (v) accepting all other incoming order and quote messages and instructions until the Trading Halt Opening Process, at which point the proposed Rule 22.160(c) of this Rule will govern the entry of incoming orders, quotes, and order instructions; and (vi) disseminating any zero bid and zero offer quote to OPRA and proprietary data feeds.

³⁵ The Exchange also proposes that it will make and maintain records to document and periodically review all determinations to deviate from the standard manner of the Opening Process.

assigned to the option class is experiencing technical difficulties and not entering quotes on IEX. As a result, there would not be a Valid Width NBBO, which requires quotes from at least one IEX Market Maker.³⁶ In this situation, the deviation would enable locking or crossing interest on the IEX Options Book to execute at the Opening Price. The proposed rule text is based on MIAX Sapphire Rule 503(c).

Accordingly, as described above, the Exchange proposes to replace the current opening auction rule with proposed rule text that is substantially similar to MIAX Sapphire Rule 503, with certain differences, as discussed in the Statutory Basis section.

Terminology Changes

As proposed, IEX would replace the term “Auction” with “Opening Process” throughout current Rule 22.160, including replacing the terms “Core Open Auction” with “Core Opening Process,” “Trading Halt Open Auction” with “Trading Halt Opening Process,” and “Auction Trigger” with “Opening Trigger”.

IEX also proposes to add the following terms to Rule 22.160(a), as described above: “Eligible Interest”, “Market for the Underlying Security”, “Opening Trigger”, and “Valid Width National Best Bid or Offer (or Valid Width NBBO)”, and Away Best Bid or Offer (or ABBO). Each of these terms are included in MIAX Sapphire Rule 503.³⁷ In addition, the Exchange proposes to delete certain terms and provisions from the current rule text of Rule 22.160, which are no longer applicable.³⁸

³⁶ The opening process for when there is not a potential trade on IEX would not be applicable in this situation if there were locking or crossing interest on IEX.

³⁷ The Exchange proposes to retain the term “Away Market” in Rule 22.160.

³⁸ The Exchange proposes to delete: Auction Collar (Rule 22.160(a)(2)); Auction Imbalance Information (Rule 22.160(a)(3)); Auction Price (Rule 22.160(a)(4)); Auction Process (Rule

Conforming Edits in Other IEX Rules

The Exchange proposes to amend Rule 22.100(h) (definition of Anti-Internalization Qualifier (“AIQ”) modifier), 22.250(c)(1)(A)(ii) (Automated Breach Actions for Pre-Trade Risk Controls) and Rule 22.260(a)(1)(B) (Additional Price Protection Mechanisms and Risk Controls) to replace references to “Auction” and the pre-open state with “Opening Process.”

The Exchange also proposes to amend Rule 22.250(c)(F)(ii) (Activity-Based Risk Controls) and Rule 22.250(c)(3)(D)(ii) (Global Risk Controls) to replace references to the “Core Open Auction” with “Core Opening Process.”

In addition, the Exchange proposes conforming edits to Rules 22.260(a)(2) (Limit Order Price Protection) and (d)(3)(D)(ii) (Price Reasonability Checks – Intrinsic Value Checks) to replace the term “Auction Price” with “Opening Price”, and the term “Auction Collar” with “Valid Width NBBO.” The Exchange also proposes to amend Rule 22.260(e)(1) (Drill-Through Protection) to replace “Auction Process” with “Opening Process”, and “Auction Collar” with “Valid Width NBBO.”

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act³⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act⁴⁰ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices,

22.160(a)(5); Auction Processing Period (Rule 22.160(a)(6)); Calculated NBBO (Rule 22.160(a)(9)); Indicative Match Price (Rule 22.160(a)(10)); Legal Width Quote (Rule 22.160(a)(11)); Matched Volume (Rule 22.160(a)(12)); Rule 22.160(c)(2); Rule 22.160(c)(2)(5); Rule 22.160(c)(3) (Opening MMQ Timers); Rule 22.160(c)(4); Rule 22.160(e) (Order Processing during an Auction Processing Period); Rule 22.160(f)(1), (f)(2), and (f)(3)(B) (Transition to Continuous Trading); and Rule 22.160(h).

³⁹ 15 U.S.C. 78f(b).

⁴⁰ 15 U.S.C. 78f(b)(5).

to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

As described in the Purpose section, the proposed opening process is substantially similar to MIAX Sapphire's opening process set forth in its Rule 503, with several differences as follows:

First, the Exchange would execute matches of Eligible Interest at the Opening Price based on the pro rata allocation methodology set forth in Rule 22.170(b), whereas MIAX Sapphire uses a price-time allocation methodology.⁴¹ This difference is consistent with the allocation methodologies reflected in each exchanges' rules. The Exchange notes that other options exchanges use a pro rata allocation methodology for their opening process.⁴²

Second, while MIAX Sapphire's Opening Process may be triggered based solely on a quote or a trade in the underlying security,⁴³ the Exchange would only initiate an Opening Process after a quote and a trade have occurred in the underlying security. The Exchange believes that requiring a trade in addition to a quote to trigger the Opening Process would provide additional protections to confirm that trading in the underlying security reflects adequately stable pricing to support reasonably informed derivative pricing. The Exchange notes that other options exchanges also wait for both a quote and

⁴¹ See proposed IEX Rule 22.160(b).

⁴² See, e.g., NYSE Amex Rules 952NYP(b) and 964NYP(c) – (g).

⁴³ See MIAX Sapphire Rule 503(b).

trade before initiating an opening process.⁴⁴

Third, the Exchange would cancel resting Market Maker quotes during a trading halt in accordance with current Rule 22.160(g), while MIAX Sapphire does not. IEX believes that this approach is preferable because pricing when trading resumes after a halt can often be materially different, and notes that several other options exchanges also cancel resting market maker quotes during a trading halt.⁴⁵

In sum, the Exchange believes the proposed rule change is consistent with the protection of investors and the public interest because it is designed to provide a robust opening process that would (i) result in an opening price based on a neutral execution benchmark (i.e., the midpoint of the NBBO) tied to the prevailing market, and not based on potentially erroneous or stale reference prices (i.e., when the ABBO or an away market is crossed) when there is a possible trade on IEX; (ii) provide for an appropriate fallback process when there is not a potential execution on IEX to enable the Exchange to open a series for trading; (iii) provide for a consistent, orderly transition to continuous trading at the conclusion of the Opening Process; and (iv) be less operationally complex and resource intensive for the Exchange and Options Members compared to the current auction process.

Moreover, and as discussed above, the proposed Opening Process is based on existing rules of MIAX Sapphire and other options exchanges that have already been considered by the Commission. Accordingly, the Exchange does not believe that the proposed rule change raises any new or novel issues.

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

⁴⁴ See NYSE Amex Rule 952NYP(a)(7) and NYSE Arca Rule 6.64P-O(a)(7).

⁴⁵ See NYSE Amex Rule 952NYP(g) and NYSE Arca Rule 6.64P-O(g),

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the proposal is designed to enhance IEX's competitiveness with other options exchanges by providing a robust opening process that will be less operationally complex, less resource intensive, and simpler than the process reflected in the Exchange's current rules. Moreover, competing exchanges have and can continue to adopt comparable opening processes, subject to the SEC rule filing process, as discussed in the Purpose section.

The Exchange also does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. All Options Members will be eligible to submit orders to the Exchange for potential execution in the Opening Process. Further, all Members are eligible to become Options Market Makers, subject to meeting applicable requirements⁴⁶; and could thereby submit quotes to the Exchange for potential execution in the Opening Process. Moreover, to the extent the proposed change increases the posting of liquidity for potential execution in IEX's opening process, it would thereby provide potential benefits to all Options Members and market participants by providing additional trading opportunities.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule

⁴⁶ See Rule 23.120.

Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

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

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act⁴⁷ and paragraph (f)(6) of Rule 19b-4 thereunder.⁴⁸ The Exchange asserts that the proposed rule changes: (i) will not significantly affect the protection of investors or the public interest, (ii) will not impose any significant burden on competition, (iii) and will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate. In addition, the Exchange provided the Commission with written notice of its intent to file the proposed rule changes, along with a brief description and text of the proposed rule changes, at least five business days prior to the date of filing, or such shorter time as the Commission may designate.⁴⁹

The Exchange believes that the proposed rule change meets the criteria of subparagraph (f)(6) of Rule 19b-4⁵⁰ because it would not significantly affect the protection of investors or the public interest. Rather, the proposed rule change is designed to benefit investors and the public interest by providing for a simple deterministic midpoint crossing opening process that will provide a fair, neutral execution benchmark

⁴⁷ 15 U.S.C. 78s(b)(3)(A).

⁴⁸ 17 CFR 240.19b-4.

⁴⁹ 17 CFR 240.19b-4(f)(6)(iii).

⁵⁰ 17 CFR 240.19b-4(f)(6).

tioned to the prevailing market. Moreover, as described in the Purpose and Statutory Basis sections, the proposed rule change is substantially similar to the opening process used by MIAX Sapphire, with differences based on existing rules of other options exchanges. Accordingly, the Exchange believes that this proposed rule change is non-controversial because it raises no new or novel issues not already considered by the Commission. Accordingly, the Exchange believes that the proposed rule change is eligible for immediate effectiveness.⁵¹

Furthermore, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule changes at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.⁵²

At any time within 60 days of the filing of the proposed rule changes, the Commission summarily may temporarily suspend such rule changes if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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 the Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is based on MIAX Sapphire Rule 503, NYSE Amex Rules 952NYP(a)(7), (b), and (g); NYSE Amex Rule 964NYP(c)-(g); and NYSE Arca Rule 6.64P-O(a)(7) and (g).

⁵¹ See Securities Exchange Act Release No. 58092 (July 3, 2008), 73 FR 40144 (July 11, 2008) (concerning 17 CFR 200 and 241).

⁵² 17 CFR 240.19b-4(f)(6)(iii).

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

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

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

Exhibit 5 – Text of Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34 - ; File No. SR-IEX-2026-15)

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Update the Options Opening Process

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

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),⁴ and Rule 19b-4 thereunder,⁵ Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule to replace the current price discovery auction opening process for option series with a simpler deterministic midpoint crossing process. The Exchange has designated this rule change as “non-controversial” under Section 19(b)(3)(A) of the Act⁶ and provided the Commission with the notice required by

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.

⁶ 15 U.S.C. 78s(b)(3)(A).

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 proposes to amend Rule 22.160⁸ to replace the current price discovery auction opening process⁹ for option series with a simpler deterministic midpoint crossing process opening process. As proposed, the opening process would be based on sequential evaluations of market conditions. If there is a possible trade on IEX, the Exchange would determine a single opening price for the series as the midpoint of the NBBO¹⁰, rounded up if necessary. After the opening price has been established, the Exchange would match existing orders and quotes in the

⁷ 17 CFR 240.19b-4.

⁸ Conforming and related amendments are also proposed to Rules 22.250 and 22.260.

⁹ Currently Rule 22.160 – Market Opening Procedures - provides for the determination of an opening price for an option series based on a price discovery auction of quotes and orders from liquidity providers on the Exchange's order book that results in the determination of an opening price. See Rule 22.160.

¹⁰ See Rule 17.100.

System¹¹ based on a pro-rata allocation at the opening price until there is no remaining volume or there is an imbalance of orders. Orders not matched, in whole or in part, will be handled at the conclusion of the Opening Process as specified in proposed Rule 22.160(d).

If no trade is possible on the Exchange (because there are no quotes or orders in the series that could be matched at any price), the Exchange would open the series without determining an opening price by disseminating the best bid and offer among quotes and orders that exist in the System at that time.

The Exchange believes the proposed opening process, which would apply to the opening of trading at the start of Regular Market Hours¹² and during the resumption of trading following a trading halt, will be less operationally complex than the current process, while providing a fair, neutral execution benchmark tied to the prevailing market.¹³ As discussed below, the proposed process is based on MIAX Sapphire's opening process¹⁴ with several minor differences to account for different rule structures and allocation methodologies.¹⁵

Proposal

Initiation of the Opening Process

The Exchange proposes to initiate the Opening Process when the "Market for the Underlying Security"¹⁶ first disseminates, at or after 9:30 a.m. ET, both a two-sided quote on the

¹¹ "System" means the automated trading system used by IEX Options for the trading of options contracts. See Rule 22.100(a).

¹² "Regular Market Hours" means the time between 9:30 a.m. and 4:00 p.m. Eastern Time ("ET"). See Rule 1.160(gg).

¹³ IEX anticipates launching its options market in October 2026. On September 18, 2025, the Commission approved IEX's proposed rules to govern the trading of options contracts on IEX. See Securities Exchange Act Release No. 103998 (September 18, 2025), 90 FR 45861 (September 23, 2025).

¹⁴ See MIAX Sapphire Rule 503.

¹⁵ See Rule 22.170(b) (pro rata allocation) and MIAX Sapphire Rule 514(b) (price-time allocation).

¹⁶ See proposed Rule 22.160(a)(3); MIAX Sapphire Rule 503(a)(3). The Exchange proposes to determine the Market for the Underlying Security on a class-by-class basis and will publish this information on the

underlying security and a trade of any size that is at or within the quote (i.e., the “Opening Trigger”). The proposed rule text defines “Opening Trigger” in substantially the same way as the definition of “Auction Trigger” in the current rule text, except that the Exchange proposes to replace the term “Primary Market” with the “Market for the Underlying Security.” The latter is a broader term that encompasses not just the listing exchange for the underlying security, but also the market with the most liquidity in the underlying security for the previous two months or the first market to open the underlying security.¹⁷ In the case of opening following a trading halt, the Opening Trigger would be a resume message from the Market for the Underlying Security followed by a two-sided quote and a trade of any size that is at or within the quote in the underlying security.¹⁸

Following receipt of the Opening Trigger, the Exchange will disseminate a message to market participants indicating the initiation of the Opening Process and the System will pause for a period of time no longer than one-half second to allow the market to absorb the information.¹⁹ However, under proposed Rule 22.160(c)(1), the opening process (or resumption of trading following a halt) would not proceed if the best bid(s) (offer(s)) disseminated by away options exchanges (the “Away Best Bid or Offer” or “ABBO”)²⁰ is crossed.

As proposed, quotes, limit orders designated “Day,” and market orders (collectively defined as “Eligible Interest”) may be entered into the System beginning at 8:00 a.m. ET, and

Exchange’s website.

¹⁷ The Exchange would determine the Market for the Underlying Security on a class-by-class basis, announced to Members on the IEX website.

¹⁸ See proposed Rule 22.160(a)(4)(B).

¹⁹ See proposed Rule 22.160(c).

²⁰ See proposed Rule 17.100.

will be eligible to participate in the Opening Process.²¹ Quotes and limit orders with a time in force of Immediate or Cancel (“IOC”) are not included in the definition of Eligible Interest and may only be entered following the transition to continuous trading, as set forth in proposed Rule 22.160(d).

Opening Process Where There is a Possible Trade on the Exchange

The Opening Process would initially determine whether there is locking or crossing interest in the option series on the Exchange or interest on the Exchange that locks or crosses the NBB²² or NBO.²³ If so, the NBBO bid/ask differential must be within a specified range, i.e., the “Valid Width NBBO.”²⁴ Under proposed Rule 22.160(a)(5), Valid Width NBBO means the combination of all away market quotes and any combination of Market Maker²⁵ orders and quotes received from a minimum number of Away Markets and a minimum number of Market Makers within a specified bid/ask differential.²⁶ However, away markets that are crossed would void all Valid Width NBBO calculations, and the Exchange would exclude from the Valid Width NBBO calculation any Market Maker orders or quotes on the Exchange that are crossed internally. The Exchange would consider any IEX Market Maker orders or quotes that lock or cross the ABBO to be at the locked or crossed ABBO price for purposes of calculating the Valid Width NBBO. The Exchange proposes to determine the bid/ask differentials for the Valid Width NBBO based on the underlying security and publish them on the IEX Options website.

In either scenario described above (locking or crossing interest on the Exchange or

²¹ See proposed Rule 22.160(a)(2).

²² See Rule 17.100.

²³ See Rule 17.100.

²⁴ See proposed Rule 22.160(c)(1)(A).

²⁵ See Rule 17.100.

²⁶ See proposed Rule 22.160(c)(1)(5).

interest on the Exchange that locks or crosses the NBB or NBO), provided that a Valid Width NBBO is present, the Exchange will determine a single price at which the option series will be opened (the “Opening Price”) which will be the midpoint of the Valid Width NBBO (the “NBBO Midpoint”).²⁷

Opening Process Matching Methodology

Once the Exchange has established an Opening Price in the manner set forth above, the Exchange proposes to execute matches of Eligible Interest at the Opening Price and will continue to do so until there is no remaining volume or an imbalance of orders. The Exchange proposes to retain the existing “Auction Ranking” provision in current Rule 22.160(b), which it proposes to rename “Opening Order Ranking” and to make minor conforming and clarifying edits in the proposed rule text.²⁸ Accordingly, market orders will be ranked ahead of limit orders; limit orders and quotes will be ranked by their limit price; and orders and quotes at the same price will be allocated pursuant to Rule 22.170,²⁹ but without Market Maker or Specialist entitlements.³⁰ The Exchange notes that this provision differs from MIAX Sapphire’s opening process because IEX will use a pro rata allocation method, whereas MIAX Sapphire uses a price-time allocation

²⁷ See proposed Rule 22.160(c)(2)(A).

²⁸ The Exchange proposes to add a clarifying preamble to the first sentence: “[i]f there is an imbalance of orders and quotes that are potentially eligible to participate in the Opening Process.” In addition, the Exchange proposes to change the order of the subparagraphs so that the current subparagraph (2) will be new subparagraph (1), also for clarifying purposes. The remaining edits are conforming edits to replace the term “Auction” with the term “Opening Process.”

²⁹ Rule 22.170(b) sets forth the Exchange’s pro rata allocation methodology: “[R]esting quotes and orders on the IEX Options Book are prioritized according to price. If there are two or more quotes or orders at the best price, then the contracts are allocated proportionally according to size (in a pro-rata fashion), rounded down to the nearest whole contract. If there are residual contracts to be filled, the quote or order with the largest remaining size (based on the pro rata calculation) will receive the first contract, and each successive contract (if any) will be allocated to each subsequent quote or order based on size (largest to smallest). If there are two or more quotes or orders with the same remaining size, then the quote or order with the first time priority will be allocated [to] the next contract. Each successive contract (if any) will be allocated in the same manner.

³⁰ See proposed Rules 22.160(b) and 22.160(c)(2)(B).

method.³¹

Any unexecuted contracts at the conclusion of the Opening Process will be handled as set forth in the “Transition to Continuous Trading” section in proposed Rule 22.160(d), as described below.³² The Exchange will report all executions in the Opening Process at the Opening Price, trade reported anonymously, and disseminated via a national market system plan.³³ In addition, the Exchange proposes new rule text providing that if a Market Maker using the same MPID submits orders that lock or cross each other during the Opening Process, the System would cancel the oldest order or quote before execution.³⁴

Opening Process Where There is No Possible Trade on the Exchange

If there is no locking or crossing interest on the Exchange or interest on the Exchange that locks or crosses the NBB or NBO, the Exchange would open the series without determining an opening price³⁵ based on one of the following: (i) a Valid Width NBBO is present; (ii) a certain minimum number of exchanges have disseminated a firm quote on OPRA; or (iii) after a configured time out period has elapsed.³⁶ The Exchange would open the series for trading by disseminating the Exchange’s best bid and offer among quotes and orders that exist in the System at that time to OPRA and proprietary data feeds. Any remaining orders in the System would be handled pursuant to proposed Rule 22.160(d), “Transition to Continuous Trading,” as described below. The Exchange is not proposing any changes to its order processing rule during

³¹ See MIAX Sapphire Rule 503(b)(2)(ii).

³² See proposed Rule 22.160(c)(2)(C).

³³ See proposed Rule 22.160(c)(2)(D).

³⁴ See proposed Rule 22.160(f). The proposed rule text is based substantially on MIAX Sapphire Rule 503(d).

³⁵ See proposed Rule 22.160(c)(3).

³⁶ See proposed Rule 22.160(c)(1)(B)(i) - (iii). The Exchange would post the applicable period of time that will apply under proposed Rule 22.160(c)(1)(B)(iii) on its website.

a trading halt.³⁷

Transition to Continuous Trading

After the Opening Process is completed, orders and quotes received prior to the Opening Process, and not executed in full during the Opening Process, will be transitioned to the continuous order book and handled in accordance with existing IEX rules, as applicable. Accordingly, IEX proposes conforming edits to Rule 22.160(f) (now re-lettered as (d)) to reflect this approach.

Deviations from the Standard Opening Process

The Exchange proposes to amend the existing provision in Rule 22.160(h) that provides that when in the judgment of the Exchange the interests of fair and orderly markets require the Exchange may adjust the timing of or suspend the Auctions. As proposed, new paragraph (e) to Rule 22.160 will provide that the Exchange's Market Operations personnel would be authorized to manually override the standard Opening Process, including to delay or compel the opening of any series in any option class, when necessary in the interests of commencing or maintaining a fair and orderly market, in the event of unusual market conditions or in the public interest.³⁸ This could be appropriate if, for example, a series would otherwise be unable to open because the Market Maker assigned to the option class is experiencing technical difficulties and not entering quotes on IEX. As a result, there would not be a Valid Width NBBO, which requires quotes from

³⁷ See Rule 22.160(g). During a trading halt, the Exchange would process new and existing orders and quotes by (i) canceling all resting Market Maker quotes in the series; (ii) re-pricing all other resting orders on the IEX Options Book to their limit price; (iii) accepting and processing all cancellations; (iv) rejecting incoming IOC Limit orders; (v) accepting all other incoming order and quote messages and instructions until the Trading Halt Opening Process, at which point the proposed Rule 22.160(c) of this Rule will govern the entry of incoming orders, quotes, and order instructions; and (vi) disseminating any zero bid and zero offer quote to OPRA and proprietary data feeds.

³⁸ The Exchange also proposes that it will make and maintain records to document and periodically review all determinations to deviate from the standard manner of the Opening Process.

at least one IEX Market Maker.³⁹ In this situation, the deviation would enable locking or crossing interest on the IEX Options Book to execute at the Opening Price. The proposed rule text is based on MIAX Sapphire Rule 503(c).

Accordingly, as described above, the Exchange proposes to replace the current opening auction rule with proposed rule text that is substantially similar to MIAX Sapphire Rule 503, with certain differences, as discussed in the Statutory Basis section.

Terminology Changes

As proposed, IEX would replace the term “Auction” with “Opening Process” throughout current Rule 22.160, including replacing the terms “Core Open Auction” with “Core Opening Process,” “Trading Halt Open Auction” with “Trading Halt Opening Process,” and “Auction Trigger” with “Opening Trigger”.

IEX also proposes to add the following terms to Rule 22.160(a), as described above: “Eligible Interest”, “Market for the Underlying Security”, “Opening Trigger”, and “Valid Width National Best Bid or Offer (or Valid Width NBBO)”, and Away Best Bid or Offer (or ABBO). Each of these terms are included in MIAX Sapphire Rule 503.⁴⁰ In addition, the Exchange proposes to delete certain terms and provisions from the current rule text of Rule 22.160, which are no longer applicable.⁴¹

³⁹ The opening process for when there is not a potential trade on IEX would not be applicable in this situation if there were locking or crossing interest on IEX.

⁴⁰ The Exchange proposes to retain the term “Away Market” in Rule 22.160.

⁴¹ The Exchange proposes to delete: Auction Collar (Rule 22.160(a)(2)); Auction Imbalance Information (Rule 22.160(a)(3)); Auction Price (Rule 22.160(a)(4)); Auction Process (Rule 22.160(a)(5)); Auction Processing Period (Rule 22.160(a)(6)); Calculated NBBO (Rule 22.160(a)(9)); Indicative Match Price (Rule 22.160(a)(10)); Legal Width Quote (Rule 22.160(a)(11)); Matched Volume (Rule 22.160(a)(12)); Rule 22.160(c)(2); Rule 22.160(c)(2)(5); Rule 22.160(c)(3) (Opening MMQ Timers); Rule 22.160(c)(4); Rule 22.160(e) (Order Processing during an Auction Processing Period); Rule 22.160(f)(1), (f)(2), and

Conforming Edits in Other IEX Rules

The Exchange proposes to amend Rule 22.100(h) (definition of Anti-Internalization Qualifier (“AIQ”) modifier), 22.250(c)(1)(A)(ii) (Automated Breach Actions for Pre-Trade Risk Controls) and Rule 22.260(a)(1)(B) (Additional Price Protection Mechanisms and Risk Controls) to replace references to “Auction” and the pre-open state with “Opening Process.”

The Exchange also proposes to amend Rule 22.250(c)(F)(ii) (Activity-Based Risk Controls) and Rule 22.250(c)(3)(D)(ii) (Global Risk Controls) to replace references to the “Core Open Auction” with “Core Opening Process.”

In addition, the Exchange proposes conforming edits to Rules 22.260(a)(2) (Limit Order Price Protection) and (d)(3)(D)(ii) (Price Reasonability Checks – Intrinsic Value Checks) to replace the term “Auction Price” with “Opening Price”, and the term “Auction Collar” with “Valid Width NBBO.” The Exchange also proposes to amend Rule 22.260(e)(1) (Drill-Through Protection) to replace “Auction Process” with “Opening Process”, and “Auction Collar” with “Valid Width NBBO.”

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁴² in general, and furthers the objectives of Section 6(b)(5) of the Act⁴³ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions

(f)(3)(B) (Transition to Continuous Trading); and Rule 22.160(h).

⁴² 15 U.S.C. 78f(b).

⁴³ 15 U.S.C. 78f(b)(5).

in, securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

As described in the Purpose section, the proposed opening process is substantially similar to MIAX Sapphire's opening process set forth in its Rule 503, with several differences as follows:

First, the Exchange would execute matches of Eligible Interest at the Opening Price based on the pro rata allocation methodology set forth in Rule 22.170(b), whereas MIAX Sapphire uses a price-time allocation methodology.⁴⁴ This difference is consistent with the allocation methodologies reflected in each exchanges' rules. The Exchange notes that other options exchanges use a pro rata allocation methodology for their opening process.⁴⁵

Second, while MIAX Sapphire's Opening Process may be triggered based solely on a quote or a trade in the underlying security,⁴⁶ the Exchange would only initiate an Opening Process after a quote and a trade have occurred in the underlying security. The Exchange believes that requiring a trade in addition to a quote to trigger the Opening Process would provide additional protections to confirm that trading in the underlying security reflects adequately stable pricing to support reasonably informed derivative pricing. The Exchange notes that other options exchanges also wait for both a quote and trade before initiating an opening process.⁴⁷

Third, the Exchange would cancel resting Market Maker quotes during a trading halt in accordance with current Rule 22.160(g), while MIAX Sapphire does not. IEX believes that this

⁴⁴ See proposed IEX Rule 22.160(b).

⁴⁵ See, e.g., NYSE Amex Rules 952NYP(b) and 964NYP(c) – (g).

⁴⁶ See MIAX Sapphire Rule 503(b).

⁴⁷ See NYSE Amex Rule 952NYP(a)(7) and NYSE Arca Rule 6.64P-O(a)(7).

approach is preferable because pricing when trading resumes after a halt can often be materially different, and notes that several other options exchanges also cancel resting market maker quotes during a trading halt.⁴⁸

In sum, the Exchange believes the proposed rule change is consistent with the protection of investors and the public interest because it is designed to provide a robust opening process that would (i) result in an opening price based on a neutral execution benchmark (i.e., the midpoint of the NBBO) tied to the prevailing market, and not based on potentially erroneous or stale reference prices (i.e., when the ABBO or an away market is crossed) when there is a possible trade on IEX; (ii) provide for an appropriate fallback process when there is not a potential execution on IEX to enable the Exchange to open a series for trading; (iii) provide for a consistent, orderly transition to continuous trading at the conclusion of the Opening Process; and (iv) be less operationally complex and resource intensive for the Exchange and Options Members compared to the current auction process.

Moreover, and as discussed above, the proposed Opening Process is based on existing rules of MIAX Sapphire and other options exchanges that have already been considered by the Commission. Accordingly, the Exchange does not believe that the proposed rule change raises any new or novel issues.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the

⁴⁸ See NYSE Amex Rule 952NYP(g) and NYSE Arca Rule 6.64P-O(g),

Act. To the contrary, the proposal is designed to enhance IEX's competitiveness with other options exchanges by providing a robust opening process that will be less operationally complex, less resource intensive, and simpler than the process reflected in the Exchange's current rules. Moreover, competing exchanges have and can continue to adopt comparable opening processes, subject to the SEC rule filing process, as discussed in the Purpose section.

The Exchange also does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. All Options Members will be eligible to submit orders to the Exchange for potential execution in the Opening Process. Further, all Members are eligible to become Options Market Makers, subject to meeting applicable requirements⁴⁹; and could thereby submit quotes to the Exchange for potential execution in the Opening Process. Moreover, to the extent the proposed change increases the posting of liquidity for potential execution in IEX's opening process, it would thereby provide potential benefits to all Options Members and market participants by providing additional trading opportunities.

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

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A)⁵⁰ of the Act and Rule 19b-4(f)(6)⁵¹ thereunder. Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any

⁴⁹ See Rule 23.120.

⁵⁰ 15 U.S.C. 78s(b)(3)(A).

⁵¹ 17 CFR 240.19b-4(f)(6).

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 Exchange believes that the proposed rule change meets the criteria of subparagraph (f)(6) of Rule 19b-4⁵² because it would not significantly affect the protection of investors or the public interest. Rather, the proposed rule change is designed to benefit investors and the public interest by providing for a simple deterministic midpoint crossing opening process that will provide a fair, neutral execution benchmark tied to the prevailing market. Moreover, as described in the Purpose and Statutory Basis sections, the proposed rule change is substantially similar to the opening process used by MIAX Sapphire, with differences based on existing rules of other options exchanges. Accordingly, the Exchange believes that this proposed rule change is non-controversial because it raises no new or novel issues not already considered by the Commission. Accordingly, the Exchange believes that the proposed rule change is eligible for immediate effectiveness.⁵³

Furthermore, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule changes at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.⁵⁴

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

⁵² 17 CFR 240.19b-4(f)(6).

⁵³ See Securities Exchange Act Release No. 58092 (July 3, 2008), 73 FR 40144 (July 11, 2008) (concerning 17 CFR 200 and 241).

⁵⁴ 17 CFR 240.19b-4(f)(6)(iii).

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)⁵⁵ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-IEX-2026-15 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-2026-15. 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

⁵⁵ 15 U.S.C. 78s(b)(2)(B).

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-2026-15 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.⁵⁶

Sherry R. Haywood,
Assistant Secretary.

⁵⁶ 17 CFR 200.30-3(a)(12).

Exhibit 5 – Text of Proposed Rule Change

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

Investors Exchange Rule Book

CHAPTER 22. TRADING SYSTEMS

Rule 22.160. Market Opening Procedures

(a) This Rule is applicable to all series that trade on the Exchange. The following are definitions for purposes of this Chapter 22 that are applicable to trading on IEX Options:

(1) “[Auction]Opening Process” means the opening or reopening of a series for trading either with or without a trade on the IEX Options Book.

(A) “Core Opening [Auction]Process” means the process [Auction]that opens trading after the beginning of Core Trading Hours.

(B) “Trading Halt Opening [Auction]Process” means the process [Auction]that reopens trading following a trading halt.

[(2) “Auction Collar” means the price collar thresholds for the Indicative Match Price for an Auction.

(A) The upper Auction Collar will be the offer of the Legal Width Quote and the lower Auction Collar will be the bid of the Legal Width Quote, provided that if the bid of the Legal Width Quote is zero, the lower Auction Collar will be one MPV above zero for the series.

(B) If there is no Legal Width Quote, the Auction Collars will be published in the Auction Imbalance Information as zero.

(3) “Auction Imbalance Information” means the information that the Exchange disseminates about an Auction via its proprietary data feeds and includes the Auction Collars, Auction Indicator, Book Clearing Price, Indicative Match Price, Matched Volume, Market Imbalance, and Total Imbalance. Auction Imbalance Information will be based on all quotes and orders eligible to participate in an Auction.

- (A) “Auction Indicator” means the indicator that provides a status update of whether an Auction cannot be conducted because either (i) there is no Legal Width Quote, or (ii) a Market Maker quote has not been received during the Opening MMQ Timer(s).
- (B) “Book Clearing Price” is the price at which all contracts could be traded in an Auction if not subject to the Auction Collar. The Book Clearing Price will be zero if a sell (buy) Imbalance cannot be filled by any buy (sell) interest.
- (C) “Imbalance” means the number of buy (sell) contracts that cannot be matched with sell (buy) contracts at the Indicative Match Price at any given time.
- (i) “Total Imbalance” is the Imbalance of all buy (sell) contracts at the Indicative Match Price for all orders and quotes eligible to trade in an Auction.
- (ii) “Market Imbalance” is the Imbalance of any remaining buy (sell) Market orders that are not matched for trading in the Auction.
- (4) “Auction Price” means the price at which an Auction that results in a trade is conducted.
- (5) “Auction Process” means the process that begins when the Exchange receives an Auction Trigger for a series and ends when the Auction is conducted.
- (A) The “initial Auction Process time period” means an Exchange-determined time period after the commencement of the Auction Process as specified by a Trading Alert.
- (6) “Auction Processing Period” means the period during which the Auction is being processed.]
- (2) “Eligible Interest” means any quote or order that may be entered into the System electronically beginning at 8:00 a.m. Eastern Time or during the Opening Process and is eligible to participate in the Opening Process. Quotes designated Day, Limit orders designated Day, and Market orders are eligible to participate in the Opening Process. Limit orders and quotes with a Time in Force of IOC are not eligible to participate in the Opening Process and may only be entered following the transition to continuous trading, as described in subsection (d).
- (3) “Market for the Underlying Security” means either the primary listing market, the primary volume market (defined as the market with the most liquidity in that

underlying security for the previous two calendar months), or the first market to open the underlying security, as determined by the Exchange on a class by class basis and announced to Members on the Exchange’s website.

- (4)[(7)] “Opening [Auction] Trigger” means the information disseminated by the [Primary] Market [in]for the U[u]nderlying S[s]ecurity that triggers the Opening[Auction] Process for a series to begin.
- (A) For a Core Opening [Auction]Process, the Opening [Auction] Trigger is when the [Primary] Market for the Underlying Security first disseminates at or after 9:30 a.m. Eastern Time both a two-sided quote and a trade of any size that is at or within the quote.
- (B) For a Trading Halt Opening [Auction]Process, the Opening [Auction] Trigger is when the [Primary] Market for the Underlying Security disseminates, at the end of a trading halt or pause, a resume message, a two-sided quote, and a trade of any size that is at or within the quote.
- (5) “Valid Width National Best Bid or Offer” or “Valid Width NBBO” means the combination of all Away Market quotes, any combination of IEX Options Market Maker orders and quotes received from a minimum number of Away Markets, and a minimum number of IEX Options Market Makers within a specified bid/ask differential each as established and published by the Exchange on its website. The Valid Width NBBO will be configurable by the underlying, and tables with valid width differentials will be posted by IEX Options on its website. Away Markets that are crossed will void all Valid Width NBBO calculations. If any Market Maker orders or quotes on IEX Options are crossed internally, then all such orders and quotes will be excluded from the Valid Width NBBO calculation. If any Market Maker orders or quotes on IEX Options are locking or crossing the ABBO, the Market Maker’s orders or quotes will be considered to be at the locked or crossed ABBO price for purposes of calculating the Valid Width NBBO.
- (6) “Away Best Bid or Offer” or “ABBO” means the best bid(s) or offer(s) disseminated by other Eligible Exchanges (defined in Rule 28.100(a)(7)) and calculated by the Exchange based on market information received by the Exchange from OPRA.
- (7) [(8)] “Away Market” means any national securities exchange that has qualified for participation in the Options Clearing Corporation pursuant to the provisions of the rules of the Options Clearing Corporation (1) with which the Exchange maintains an electronic linkage, and (2) that provides instantaneous responses to orders routed from the Exchange.

- [(9) “Calculated NBBO” means the highest bid and lowest offer among all Market Maker quotes and the ABBO during the Auction Process.
- (10) “Indicative Match Price” means the price at which the maximum number of contracts can be traded in an Auction, subject to the Auction Collars. If there is no Legal Width Quote, the Indicative Match Price included in the Auction Imbalance Information will be calculated without Auction Collars.
- (A) If there is more than one price level at which the maximum number of contracts can be traded within the Auction Collars, the Indicative Match Price will be the price closest to the midpoint of the Legal Width Quote, rounded to the nearest MPV for the series, provided that the Indicative Match Price will not be lower (higher) than the highest (lowest) price of a Limit order to buy (sell) that is eligible to participate in the Auction.
- (B) An Indicative Match Price that is higher (lower) than the upper (lower) Auction Collar will be adjusted to the upper (lower) Auction Collar and orders eligible to participate in the Auction will trade at the collared Indicative Match Price.
- (i) Limit orders to buy (sell) with a limit price above (below) the upper (lower) Auction Collar will be included in the Auction Imbalance Information at the collared Indicative Match Price and will be eligible to trade at the Indicative Match Price.
- (ii) Limit orders and quotes to buy (sell) with a limit price below (above) the lower (upper) Auction Collar will not be included in the Auction Imbalance Information and will not participate in an Auction.
- (C) If the Matched Volume for an Auction consists of only buy and sell Market orders, the Indicative Match Price will be the midpoint of the Legal Width Quote, rounded to the MPV for the series, or, if the Legal Width Quote is locked, the locked price.
- (D) If there is no Matched Volume, including if there are Market orders on only one side of the Market, the Indicative Match Price and Total Imbalance for the Auction Imbalance Information will be zero.
- (11) A “Legal Width Quote” is a Calculated NBBO that:
- (A) may be locked, but not crossed;
- (B) does not contain a zero offer; and

- (C) has a spread between the Calculated NBBO for each options contract that does not exceed a maximum differential that is determined by the Exchange on a class basis, which amount may be modified during the Auction Process, and such maximum differentials (and modifications thereto) will be announced by Trading Alert, provided that the Exchange may establish differences other than the above for one or more series or classes of options.
- (12) “Matched Volume” means the number of buy and sell contracts that can be matched at the Indicative Match Price.
- (13) “Pre-open state” means the period before a series is opened or reopened for trading. During the pre-open state, the Exchange will accept quotes, Limit orders designated Day, and Market orders.
- (A) The pre-open state for the Core Open Auction begins at 8:00 a.m. Eastern Time and ends when the Auction Processing Period begins.
- (B) The pre-open state for a Trading Halt Auction begins at the beginning of the trading halt and ends when the Auction Processing Period begins.]
- (b) Opening Order [Auction] Ranking. If there is an imbalance of orders and quotes that are potentially eligible to participate in the Opening Process, [O]orders and quotes on the side of [the] an [I]imbalance (i.e., the side with more interest) are not guaranteed to participate in the Opening Process [an Auction] and will be ranked pursuant to Rule 22.170, provided that:
- (1) Market orders will be ranked ahead of Limit orders and quotes.
- (2)[1]Limit orders and quotes will be ranked based on their limit price and not the price at which they would participate in the Opening Process [Auction].
- (2) Market orders will be ranked ahead of Limit orders and quotes.]
- (3) The Exchange will allocate orders and quotes at the same price in the Opening Process [an Auction] as set forth in Rule 22.170, except that the participation entitlements to a DMM or Specialist specified in Rule 22.170(f)(2) – (3) will not be available during the Opening Process [an Auction].
- [(c) *Auction Imbalance Information*. Unless otherwise specified by Trading Alert, Auction Imbalance Information is updated at least every second until the Auction is conducted, unless there is no change to the information. The Exchange will begin disseminating Auction Imbalance Information at the following times:

- (1) Core Open Auction Imbalance Information will begin at 8:30 a.m. Eastern Time.
- (2) Trading Halt Auction Imbalance Information will begin at the beginning of the trading halt.]

(c)[(d)] Opening [Auction] Process. [(1)] Upon receipt of the Opening [Auction] Trigger for an underlying security, the Exchange will disseminate[s] a message to market participants indicating the initiation of the [opening process and begins transitioning] Opening Process, as set forth below, for each options series for that underlying security[from a pre-open state to continuous trading.] Following the dissemination of the Opening Trigger, the System will pause for a period of time no longer than one-half second to allow the market place to absorb this information. In the case of a Trading Halt, the Opening Process shall occur when trading resumes pursuant to Rule 21.130. Regular Market Hours trading shall commence or, in the case of a Trading Halt, resume when the Opening Process concludes.

(1) Criteria for the Opening. The opening of trading or resumption of trading after a halt of securities by the System will be dependent on the following criteria, provided the ABBO is not crossed.

(A) If there is locking or crossing interest on IEX Options or interest that locks or crosses the NBBO, a Valid Width NBBO must be present.

(B) If there is no locking or crossing interest on IEX Options and no interest that locks or crosses the NBBO, then the Exchange will open dependent upon one of the following:

(i) A Valid Width NBBO is present;

(ii) A certain number of other options exchanges (as determined by the Exchange and posted by IEX Options on its website) have disseminated a firm quote on OPRA; or

(iii) A certain period of time (as determined by the Exchange and posted by IEX Options on its website) has elapsed.

(2) Opening Process Where There is Locking or Crossing Interest on IEX Options or Interest that Locks or Crosses the NBBO.

(A) Determining the Opening Price. After the Opening Trigger has occurred and/or the trading halt has been lifted and the criteria for opening set forth in subsection (c)(1)(A) above have been met, in each case where there are orders or quotes with internally locking or crossing prices, or orders that lock or cross

the NBBO for a particular option series, the System will determine a single price at which such option series will be opened (the “Opening Price”). The Opening Price of a series will be the midpoint of the Valid Width NBBO, rounded up if necessary (the “NBBO Midpoint”).

- (B) Matching Orders and Quotes in the System. After establishing an Opening Price, orders and quotes in the System that are priced equal to or more aggressively than the Opening Price will be matched based on the Opening Order Ranking defined in subparagraph (b) above. Matches will occur until there is no remaining volume or there is no imbalance of orders. All orders and quotes or portions thereof that are matched pursuant to the Opening Process will be executed at the Opening Price.
 - (C) Unexecuted Contracts. Eligible Interest that is not executed in whole or in part will be handled at the conclusion of the Opening Process as set forth in subparagraph (d) below.
 - (D) Execution and Reporting. All Eligible Interest executed in the Opening Process shall be executed at the Opening Price, trade reported anonymously, and disseminated via a national market system plan.
- (3) Opening Process Where There is No Locking or Crossing Interest on IEX Options and no Interest that Locks or Crosses the NBBO. After the Opening Trigger has occurred and the criteria for opening set forth in subsection (1)(B) above have been met, and where there are no contracts in a particular series that would execute at any price, the System shall open such options for trading without determining an Opening Price. The System will open such series by disseminating via a national market system plan the Exchange’s best bid and offer among quotes and orders that exist in the System at that time. Orders in the System will be handled at the conclusion of the Opening Process as set forth in subparagraph (d) below.
- [(2) The Exchange will conduct an Auction when there is both a Legal Width Quote and, if applicable, Market Maker quote with a non-zero offer in the series (subject to the Opening MMQ Timer(s) requirements in paragraph (d)(3) of this Rule). Subject to the above:
- (A) If there is Matched Volume that can trade at or within the Auction Collars, the Auction will result in a trade at the Indicative Match Price, except as specified in Rule 22.160(d)(4).
 - (B) If there is no Matched Volume that can trade at or within the Auction Collars, the

Auction will not result in a trade and the Exchange will transition to continuous trading as described in paragraph (f) of this Rule and the Auction will result in a quote.

- (3) *Opening MMQ Timers.* Each Opening MMQ Timer will be an Exchange-determined that is announced by Trading Alert. Once the Auction Process begins, the Exchange will begin one or more Opening MMQ Timers for the Market Maker(s) assigned to a series to submit a quote with a non-zero offer, subject to the following:
- (A) If there are no Market Makers assigned to a series, the Exchange will conduct an Auction in that series based on only a Legal Width Quote, without waiting for the Opening MMQ Timer to end.
 - (B) If there is only one Market Maker assigned to a series:
 - (i) The Exchange will conduct the Auction, without waiting for the Opening MMQ Timer to end, as soon as there is both a Legal Width Quote and the assigned Market Maker has submitted a quote with a non-zero offer.
 - (ii) If the Market Maker assigned to a series has not submitted a quote with a non-zero offer by the end of the Opening MMQ Timer and there is a Legal Width Quote, the Exchange will conduct the Auction.
 - (C) If there are two or more Market Makers assigned to a series:
 - (i) The Exchange will conduct the Auction, without waiting for the Opening MMQ Timer to end, as soon as there is both a Legal Width Quote and at least two quotes with a non-zero offer submitted by assigned Market Maker(s).
 - (ii) If the Exchange has not received at least two quotes with a non-zero offer from any Market Maker(s) assigned to a series by the end of the Opening MMQ Timer, the Exchange will begin a second Opening MMQ Timer. During the second Opening MMQ Timer, the Exchange will conduct the Auction, without waiting for the second Opening MMQ Timer to end, if there is both a Legal Width Quote and at least one Market Maker has submitted a quote with a non-zero offer.
 - (iii) If no Market Maker assigned to a series has submitted a quote with a non-zero offer by the end of the second Opening MMQ Timer and there is a Legal Width Quote, the Exchange will conduct the Auction.

- (4) For any option series that has not opened by the end of the initial Auction Process time period because the Calculated NBBO is wider than the Legal Width Quote, if the Calculated NBBO is not crossed and does not contain a zero offer, the Exchange will transition to continuous trading as described in paragraph (f) of this Rule after it first cancels Market Orders and Limit Orders to buy (sell) priced equal to or higher (lower) than the Indicative Match Price. In such case, the Auction Process is not intended to end with a trade, but it may result in a trade even if there is no Legal Width Quote if orders or quotes arrive during the period when the Exchange is evaluating the status of orders and quotes.
- (5) The Exchange may deviate from the standard manner of the Auction Process, including adjusting the timing of the Auction Process in any options series or opening or reopening a series when there is no Legal Width Quote, when it believes it is necessary in the interests of a fair and orderly market.
- (e) *Order Processing during an Auction Processing Period.* For purposes of paragraphs (e) and (f) of this rule, an “order instruction” refers to a request to cancel, cancel and replace, or modify an order or quote. During the Auction Processing Period, the Exchange will reject new quotes and, if the Exchange receives order instructions for existing quotes, the Exchange will cancel any same-side quotes sent from the same logical port of that Market Maker. During the Auction Processing Period, new orders will be accepted but will not be processed until after the Auction Processing Period and order instructions for existing orders will be processed as follows:
- a. An order instruction that arrives during the Auction Processing Period will not be processed until after the Auction Processing Period if it relates to an order that was received before the Auction Processing Period. Any subsequent order instructions relating to such order will be rejected when a prior order instruction is pending.
 - b. An order instruction that arrives during the Auction Processing Period will be processed on arrival if it relates to an order that was received during the Auction Processing Period.]

~~[(f)](d) *Transition to Continuous Trading.* [After the Auction Processing Period concludes, the Exchange will transition to continuous trading as follows] When transitioning to continuous trading following the Opening Process, orders and quotes received prior to and not executed in full during the Opening Process will be transitioned to the continuous Order Book and handled~~

in accordance with existing IEX rules, as applicable.

- (1) Orders that are no longer eligible to trade will be cancelled.
- (2) During the transition to continuous trading, the Exchange will reject new quotes and, if the Exchange receives order instructions for existing quotes, the Exchange will cancel any same-side quotes sent from the logical port of that Market Maker and order instructions will be processed as follows:
 - (A) An order instruction that relates to an order that was received before the Auction Processing Period or that has already transitioned to continuous trading and that arrives during either the transition to continuous trading or the Auction Processing Period will be processed in time sequence with the processing of orders and quotes as specified in paragraphs (f)(3)(A) or (B) of this Rule. Any subsequent order instructions relating to such order will be rejected when a prior order instruction is pending.
 - (B) An order instruction that arrives during the transition to continuous trading will be processed on arrival if it relates to an order that was entered during either the Auction Processing Period or the transition to continuous trading and such order has not yet transitioned to continuous trading.
- (3) When transitioning to continuous trading following an Auction, orders and quotes will be processed as follows:
 - (A) The Exchange will process Auction-eligible orders and quotes that were received before the Auction Processing Period as follows:
 - (i) Limit orders and quotes will be subject to the Limit Order Price Protection, Arbitrage Check, and Intrinsic Value Check, as applicable.
 - (ii) Limit orders and Market orders will be subject to Drill-Through Protection.
 - (iii) Orders eligible to route that are marketable against Away Market Protected Quotations will route based on the ranking of such orders as set forth in Rule 22.170.
 - (iv) After routing eligible orders, orders and quotes not eligible to route that are marketable against Away Market Protected Quotations will cancel.
 - (v) Once there are no more unexecuted orders marketable against Away

Market Protected Quotations, orders and quotes that are marketable against other orders and quotes in the IEX Options Book will trade or be repriced.

- (vi) Unexecuted Market orders will be cancelled.
- (vii) The Exchange will send a quote to OPRA and proprietary data feeds representing the highest-priced bid and lowest-priced offer of any remaining unexecuted Opening-eligible orders and quotes, [that were received before the Auction Processing Period.

(B) Next, orders that were received during the Auction Processing Period will be assigned a new working time in time sequence relative to one another based on original entry time and will be subject to the Limit Order Price Protection, Pre-Trade Risk Controls, Arbitrage Check, Intrinsic Value Check, and validations specified in Rule 22.260(a), as applicable, and if not cancelled, will be processed consistent with the terms of the order.

(C) When transitioning to continuous trading:

- (i) The display price and working price of orders and quotes will be adjusted based on the contra-side interest in the IEX Options Book or ABBO, as provided for in Rule 22.100.
- (ii) The display price and working price of a Day ISO will be adjusted in the same manner as a Book Only Limit order until the Day ISO is either traded in full or displayed at its limit price. The display price and working price of a Post Only Day ISO will be adjusted in the same manner as a Post Only order until the Post Only Day ISO is either traded in full or displayed at its limit price.]

(e) Deviation from Standard Opening Process. The Exchange's Market Operations personnel may deviate from the standard manner of the Opening Process when necessary, including to delay or compel the opening of any series in any option class, or adjusting the timing of the Opening Process in any option class, when necessary in the interests of commencing or maintaining a fair and orderly market, in the event of unusual market conditions, or in the public interest. The Exchange will make and maintain records to document all determinations to deviate from the standard manner of the Opening Process, and periodically review these determinations for consistency with the interests of a fair and orderly market.

(f) Certain Locking or Crossing Orders or Quotes. If any order or quote entered by a Market Maker on IEX Options using the same MPID is locking or crossing another order or quote

entered by the same Market Maker using the same MPID on IEX Options during the Opening Process, then the System will cancel the oldest of the Market Maker's locking or crossing order or quote prior to execution.

- (g) *Order Processing During a Trading Halt.* The Exchange will process new and existing orders and quotes in a series during a trading halt as follows:
- (1) cancel all resting Market Maker quotes;
 - (2) re-price all other resting orders on the IEX Options Book to their limit price;
 - (3) accept and process all cancellations;
 - (4) reject incoming Limit orders and quotes designated IOC;
 - (5) accept all other incoming order and quote messages and instructions until the [Auction Processing Period for the] Trading Halt Opening Process, at which point, paragraph ([e]c) of this Rule will govern the entry of incoming orders, quotes, and order instructions; and
 - (6) disseminate a zero bid and zero offer quote to OPRA and proprietary data feeds.
- [(h) Whenever in the judgment of the Exchange the interests of a fair and orderly market so require, the Exchange may adjust the timing of or suspend the Auctions set forth in this Rule with prior notice to Options Members.]

Rule 22.100. Definitions

The following definitions apply to Chapter 22 for the trading of options listed on IEX Options.

- (a) – (g) No changes.
- (h) The term “Anti-Internalization Qualifier (“AIQ”) modifier” shall mean a modifier appended to an order that restricts interactions with contra-side orders as set forth below. Any incoming order designated with an AIQ modifier will be prevented from executing against a resting opposite side order also designated with an AIQ modifier and originating from the same MPID, Options Member identifier, trading group identifier, or Sponsored Participant identifier (any such identifier, a “Unique Identifier”). The AIQ modifier on the incoming order controls the interaction between two orders marked with AIQ modifiers. AIQ modifiers will not be applicable during [Auctions] the Opening Process. Subject to the restrictions set forth in paragraph (l) below with respect to bulk messages, orders may contain the following AIQ modifiers:

(1) – (4) No changes.

Rule 22.250. Pre-Trade and Activity-Based Risk Controls

(a) – (b) No Change.

(c) Automated Breach Actions. The Exchange will automatically take the following actions.

(1) Pre-Trade Risk Controls.

(A) Breach Action for Pre-Trade Risk Controls.

(i) No Change.

(ii) A Market order that arrives during [a pre-open state] the Opening Process will be cancelled if the quantity remaining to trade after [an Auction] the Opening Process breaches the Single Order Maximum Notional Value Risk Limit. At all other times, a Market order that triggers or breaches any Single-Order Risk Control will be rejected.

(iii) No Change.

(2) Activity-Based Risk Controls

(A) – (E) No change.

(F) The Exchange will specify by Trading Alert the Interval for the Activity-Based Risk Controls, subject to the following:

(i) No change.

(ii) For transactions occurring in the Core Opening [Auction] Process, per Rule 22.160, the applicable time period is the lesser of (i) the time between the Core Opening [Auction] Process of a series and the initial transaction or (ii) the Interval.

(3) Global Risk Controls

(A) – (C) No change.

(D) The Exchange will specify by Trading Alert the interval for the Global Risk Controls, subject to the following:

(i) No change.

(ii) For transactions occurring in the Core Opening [Auction] Process, per Rule 22.160, the applicable time period is the lesser of (i) the

time between the Core Opening [Auction] Process of a series and the initial transaction or (ii) the interval.

Rule 22.260. Additional Price Protection Mechanisms and Risk Controls

(a) Limit Order Price Protection

(1) No changes.

(A) No changes.

(B) A Limit order or quote received during [a pre-open state] the Opening Process will be evaluated for Limit Order Price Protection after [Open Auction] the Opening Process concludes.

(C) No changes.

(2) Reference Price. The Reference Price for calculating Limit Order Price Protection for an order or quote to buy (sell) will be the NBO (NBB), provided that, immediately following [an Auction] the Opening Process, the Reference Price will be the [Auction] Opening Price or, if none, the [upper (lower) Auction Collar] offer (bid) of the Valid Width NBBO price, or, if none, the NBO (NBB). For purposes of calculating Limit Order Price Protection, the Exchange will not use an adjusted NBBO.

(3) No changes.

(b) No changes.

(c) No changes.

(d) Price Reasonability Checks

(1) No changes.

(2) No changes.

(3) Intrinsic Value Checks for sell orders or quotes.

(A) No changes.

(B) No changes.

(C) No changes.

(D) Puts and calls.

- (i) No changes.
 - (ii) The threshold percentage is based on the NBB, provided that, immediately following [an Auction] the Opening Process, it is based on the [Auction] Opening Price or, if none, the [lower Auction Collar] offer (bid) of the Valid Width NBBO price, or, if none, the NBB. For purposes of determining the Intrinsic Value, the Exchange will not use an adjusted NBBO. The Intrinsic Value Check for sell orders and quotes will not be applied if the Intrinsic Value cannot be calculated.
- (E) No changes.
- (e) Drill-Through Protection.
- (1) If a buy (sell) order enters the IEX Options Book at the conclusion of the [Auction] Opening Process or would execute or post to the IEX Options Book when it enters the IEX Options Book, the System executes the order up to a buffer amount (the Exchange determines the buffer amount on a class and premium basis) above (below) the offer (bid) limit of the [Auction Collar] Valid Width NBBO or the NBO (NBB) that existed at the time of entry into the IEX Options Book, respectively (the “drill-through price”).
 - (2) No changes.
 - (3) No changes.
 - (4) No changes.
- (f) No changes.
