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OMB APPROVAL
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hours per response:...........38

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

File No. * SR 2026 - * 36
Amendment No. (req. for Amendments *)

Filing by Investors' Exchange LLC

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

Initial * ☑ Amendment * ☐ Withdrawal ☐

Section 19(b)(2) * ☐ Section 19(b)(3)(A) * ☑ Section 19(b)(3)(B) * ☐

Pilot ☐ Extension of Time Period for Commission Action * ☐ Date Expires *

Rule

☑ 19b-4(f)(1) ☐ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐ Section 806(e)(2) * ☐

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

Exhibit 2 Sent As Paper Document ☐ Exhibit 3 Sent As Paper Document ☐

Description

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

Proposed Rule Change To Amend Supplementary Material .04 and .05 to IEX Rule 23.150(h) to Change Three of the Variables in the Options Risk Parameter Quote Instability Calculation, Each within the Permitted Ranges Specified Therein

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

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

Signature

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

Date 09/23/2026

By Gwen Licardo (Name *)

(Title *) Lead Regulation Counsel

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

GWEN ANNE LICARDO
Digitally signed by GWEN ANNE LICARDO
Date: 2026.09.23 17:28:44 -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 * Add · Remove · View ORP values 19b-4 - SEC filing.docx	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add · Remove · View ORP values Ex. 1 - SEC filing.docx	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies * Add · Remove · View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2- Notices, Written Comments, Transcripts, Other Communications Add · Remove · View	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G. ☐ Exhibit Sent As Paper Document
Exhibit 3 - Form, Report, or Questionnaire Add · Remove · View	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change. ☐ Exhibit Sent As Paper Document
Exhibit 4 - Marked Copies Add · Remove · View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add · Remove · View ORP values Ex. 5 - SEC filing.docx	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change
Partial Amendment Add · Remove · View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 ("Act"),[1] and Rule 19b-4 thereunder,[2] Investors Exchange LLC ("IEX" or "Exchange") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend Supplementary Material .04 and .05 to IEX Rule 23.150(h) to change three of the variables in the Options Risk Parameter quote instability calculation, each within the permitted ranges specified therein. The Exchange has designated this proposal as constituting an interpretation with respect to the administration of an existing IEX Rule pursuant to Rule 19b-4(f)(1) under the Act.[3]

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

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 17 CFR 240.19b-4(f)(1).

respect to the proposed rule change are complete.

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

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

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

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

a. Purpose

On September 18, 2025, the Commission approved IEX's rule change proposal to adopt rules governing the trading of options on the Exchange in a new facility called "IEX Options";[4] IEX Options has announced its plan to commence trading options on October 2, 2026.[5] The purpose of the proposed rule change is to amend Supplementary Materials .04 and .05 to IEX Rule 23.150(h) to change three of the variables in the Options Risk Parameter quote instability calculation, each within the range specified therein. Pursuant to IEX Rule 23.150(h), IEX Options will offer Market Makers the Options Risk Parameter ("ORP"), which the Market Makers can elect to apply to a quotation that rests on the Order Book at the price designated by the Market Maker that entered the quotation.[6] When the ORP is triggered based on pre-defined criteria in IEX

4 See Securities Exchange Act Release No. 103998 (September 18, 2025), 90 FR 45861 (September 23, 2025) (SR-IEX-2025-02) (Commission order approving a Proposed Rule Change, as Modified by Amendment No. 3, to Adopt Rules To Govern the Trading of Options on the Exchange for a New Facility Called IEX Options) ("Approval Order").

5 See https://www.iex.io/options/resources#important-dates.

6 The purpose and operation of the ORP is described in the Exchange's Proposed Rule Change to Adopt Rules to Govern the Trading of Options on the Exchange for a New Facility Called IEX

rules, the relevant quotation(s) will be adjusted or canceled in the manner specified in IEX rules.[7]

As described in the Options Rule Filing, the ORP will leverage IEX's proprietary mathematical formula – the Options Quote Indicator, which is a fixed formula specified transparently in IEX's rules, to assess the materiality of an imminent change to the current best Protected Bid[8] of the Away Markets[9] to a lower price or of an imminent change to the current best Protected Offer[10] of the Away Markets to a higher price for a particular listed options series (i.e., an imminent adverse price change).[11] The Indicator utilizes real time relative quoting activity of protected quotations from Signal Exchanges (as defined in IEX Rule 11.190(g)) in securities underlying each listed options series and a proprietary mathematical calculation (the "quote instability calculation"), as described in more detail below, to assess the impact of a price change in the underlying on the price of a particular options series.[12] When the quote instability calculation identifies an imminent adverse price change in a particular listed options series, it will generate a quote instability determination.[13] If a Market Maker has elected that its quotations be subject to the ORP, and a quote instability determination is generated for an options series quoted by a Market Maker and the quote is above (below) the price level of the

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Options (the "Options Rule Filing"), Securities Exchange Act Release No. 103290 (June 18, 2025), 90 FR 26865 (June 24, 2025) (SR-IEX-2025-02).

7 See IEX Rule 23.150(h).

8 See IEX Rule 28.100(a)(19).

9 See IEX Rule 22.160(a)(7).

10 See IEX Rule 28.100(a)(19).

11 See IEX Rule 23.150(h).

12 See Supplementary Material .04 to IEX Rule 23.150(h).

13 See IEX Rule 23.150(h)(1)(A).

quote instability determination, the quote will be either cancelled or repriced to the price level of the quote instability determination, as instructed by the Market Maker.[14]

Supplementary Materials .04 and .05 to IEX Rule 23.150(h) provide that the Exchange may change three of the variables in the ORP quote instability calculation. For two aspects of the Quote Instability Calculation formula – the Delta Bound Band[15] and the Quote Instability Threshold[16]– Supplementary Material .04 to IEX Rule 23.150(h) specifies the possible range of values the Exchange may use for each aspect and the initial value for each aspect. Similarly, for the frequency of calculation of implied volatility, which is used to calculate Delta, Supplementary Material .05 to IEX Rule 23.150(h) specifies that it will be calculated each half-hour of System operation but that the Exchange may determine to calculate the value more frequently based on its assessment of factors that would optimize application of the ORP.[17]

As specified in Supplementary Material .04 and .05 to IEX Rule 23.150(h), in the event that the Exchange determines to change any of the two variables described above or

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14 See IEX Rule 23.150(h)(1)(C).

15 See Supplementary Material .04(1)(q) to IEX Rule 23.150(h). Delta is a key metric in options trading that measures the sensitivity of an option's price to changes in the price of the underlying asset. The Delta Bound Band restricts the ORP from triggering unless the option's Delta is within the specified band. Currently, the initial value for the Delta Bound Band would be between 0 – 1, with the possible range of values between 0 – 1.

16 See Supplementary Material .04(2)(e) to IEX Rule 23.150(h). Currently, the possible Quote Instability Threshold range will be within a range of 0% – 100%. If the Quote Instability Threshold is set at 100%, the expected change in the NBB/NBO of the option resulting from price movement in the underlying must be at least 100% of the current value of the NBB/NBO of the option for the ORP to trigger. If the Quote Instability Threshold is set at 0%, ORP would trigger if there is any expected change to the NBB/NBO of the option resulting from price movement in the underlying. The current initial value for the Quote Instability Threshold is specified to be 0.1%. When triggered, ORP will only result in the repricing or cancellation of quotes if the change to the NBB/NBO of the option resulting from price movement in the underlying is to a different price level than the current NBB/NBO after rounding to the nearest minimum price variation.

17 See Supplementary Material .05 to IEX Rule 23.150(h).

the frequency of its calculation of implied volatility, it will submit a rule filing pursuant to Rule 19b-4(f) specifying the new value(s). Furthermore, as specified in the Options Rule Filing (and consistent with its approval by the Commission), if the Exchange determines to change such values within the applicable specified ranges, the Exchange will submit a rule filing pursuant to Rule 19b-4(f)(1) under the Act[18] (or other appropriate rule filing type) specifying the new value, within the range of possible values specified in the applicable rule. IEX believes that the proposed changes in this rule filing to values that fall within the previously approved range of possible values constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule, and therefore that a filing pursuant to Rule 19b-4(f)(1) under the Exchange Act is appropriate.[19]

In preparation for launch of IEX Options, the Exchange proposes to modify each of these three (Delta Bound Band, Quote Instability Threshold, and Implied Volatility calculation frequency) variables, as set forth below, in order to optimize the application of the ORP for launch with more conservative settings than initially approved (but within the approved ranges), in order to enable market participants to acclimate to IEX's new options market. The proposed rule change would be operative for IEX Options launch, currently scheduled to begin on October 2, 2026.

Variable	**Current Value**	**Range**	**Proposed Value**
Delta Bound Band	0-1	0-1	0.30 – 1.00
Quote Instability Threshold	0.1%	0% - 100%	0.5%
Implied Volatility	Each half hour of	No longer than	Each one minute

18 See 17 CFR 240.19b-4(f)(1). A rule filing pursuant to Rule 19b-4(f)(1) under the Exchange Act takes effect upon filing with the Commission.

19 See Options Rule Filing, supra, note 6, 90 FR at 26879.

Calculation frequency	System operation	each half hour of System operation	of System operation

Accordingly, IEX proposes to amend Supplementary Material .04 and .05 to IEX Rule 23.150(h) to reflect such modifications to the value of each of the three variables, as described above.

The Exchange will issue a Trading Alert announcing the modifications to the values of the three variables, as described above, upon effectiveness of this proposed rule change.

b. Statutory Basis

IEX believes that the proposed rule change is consistent with Section 6(b)[20] of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act,[21] 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 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. Specifically, as discussed in the Purpose section, the proposed change constitutes a stated policy, practice or interpretation with respect to the meaning, administration, or enforcement of existing IEX rules as contemplated by the Options Rule Filing. In this regard, IEX believes that the changes to the manner in which IEX will administer the ORP will optimize application of the ORP for IEX Options launch and thereby support Market Makers in providing more competitive quotes which

[20] 15 U.S.C. 78f.

[21] 15 U.S.C. 78f(b)(5).

will benefit all market participants and thereby support the protection of investors and the public interest.

Additionally, the Exchange notes that the ORP will continue to leverage a fixed formula specified transparently in IEX rules, that was previously approved by the Commission.[22] The Exchange is not proposing to add any new functionality, but merely to adjust the values for the three variables for the ORP quote instability calculation within the ranges set forth in IEX rules, as discussed in the Purpose section. Thus, IEX does not believe that the proposed rule change raises any new or novel issues that have not already been considered by the Commission, in that the ORP functionality and IEX's ability to change the three values within specified ranges were previously approved by the Commission.[23]

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

IEX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, as discussed in the Statutory Basis section, the proposal is designed to enhance competition by optimizing application of the ORP for IEX Options launch.

The Exchange does not believe that the proposed rule change will impose any burden on intra-market competition because it will apply to all Options Members in the same manner and any Options Member could become a Market Maker subject to meeting applicable requirements.

The Exchange also does not believe that the proposal will impose any burden on

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22 See supra note 4.

23 See supra note 4.

inter-market competition that is not necessary or appropriate. Competing exchanges are free to adopt similar functionality, subject to the Commission rule filing process.

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

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

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

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A)(i)[24] of the Act and Rule 19b-4(f)(1)[25] thereunder, in that the proposed rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of IEX.

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

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

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

Not applicable.

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

Not applicable.

11. Exhibits

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24 15 U.S.C. 78s(b)(3)(A)(i).

25 17 CFR 240.19b-4(f)(1).

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-2026-36)

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Supplementary Material .04 and .05 to IEX Rule 23.150(h) to Change Three of the Variables in the Options Risk Parameter Quote Instability Calculation, Each within the Permitted Ranges Specified Therein

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. <u>Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change</u>

Pursuant to the provisions of Section 19(b)(1) under the Act,[4] and Rule 19b-4 thereunder,[5] the Exchange is filing with the Commission a proposed rule change to amend Supplementary Material .04 and .05 to IEX Rule 23.150(h) to change three of the variables in the Options Risk Parameter quote instability calculation, each within the permitted ranges specified therein. The Exchange has designated this proposal as constituting an interpretation with respect to the administration of an existing IEX Rule

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.

pursuant to Rule 19b-4(f)(1) under the Act.[6]

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

On September 18, 2025, the Commission approved IEX's rule change proposal to adopt rules governing the trading of options on the Exchange in a new facility called "IEX Options";[7] IEX Options has announced its plan to commence trading options on October 2, 2026.[8] The purpose of the proposed rule change is to amend Supplementary Materials .04 and .05 to IEX Rule 23.150(h) to change three of the variables in the

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6 17 CFR 240.19b-4(f)(1).

7 See Securities Exchange Act Release No. 103998 (September 18, 2025), 90 FR 45861 (September 23, 2025) (SR-IEX-2025-02) (Commission order approving a Proposed Rule Change, as Modified by Amendment No. 3, to Adopt Rules To Govern the Trading of Options on the Exchange for a New Facility Called IEX Options) ("Approval Order").

8 See https://www.iex.io/options/resources#important-dates.

Options Risk Parameter quote instability calculation, each within the range specified therein. Pursuant to IEX Rule 23.150(h), IEX Options will offer Market Makers the Options Risk Parameter ("ORP"), which the Market Makers can elect to apply to a quotation that rests on the Order Book at the price designated by the Market Maker that entered the quotation.[9] When the ORP is triggered based on pre-defined criteria in IEX rules, the relevant quotation(s) will be adjusted or canceled in the manner specified in IEX rules.[10]

As described in the Options Rule Filing, the ORP will leverage IEX's proprietary mathematical formula – the Options Quote Indicator, which is a fixed formula specified transparently in IEX's rules, to assess the materiality of an imminent change to the current best Protected Bid[11] of the Away Markets[12] to a lower price or of an imminent change to the current best Protected Offer[13] of the Away Markets to a higher price for a particular listed options series (i.e., an imminent adverse price change).[14] The Indicator utilizes real time relative quoting activity of protected quotations from Signal Exchanges (as defined in IEX Rule 11.190(g)) in securities underlying each listed options series and a proprietary mathematical calculation (the "quote instability calculation"), as described in more detail below, to assess the impact of a price change in the underlying on the price

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9 The purpose and operation of the ORP is described in the Exchange's Proposed Rule Change to Adopt Rules to Govern the Trading of Options on the Exchange for a New Facility Called IEX Options (the "Options Rule Filing"), Securities Exchange Act Release No. 103290 (June 18, 2025), 90 FR 26865 (June 24, 2025) (SR-IEX-2025-02).

10 See IEX Rule 23.150(h).

11 See IEX Rule 28.100(a)(19).

12 See IEX Rule 22.160(a)(7).

13 See IEX Rule 28.100(a)(19).

14 See IEX Rule 23.150(h).

of a particular options series.[15] When the quote instability calculation identifies an imminent adverse price change in a particular listed options series, it will generate a quote instability determination.[16] If a Market Maker has elected that its quotations be subject to the ORP, and a quote instability determination is generated for an options series quoted by a Market Maker and the quote is above (below) the price level of the quote instability determination, the quote will be either cancelled or repriced to the price level of the quote instability determination, as instructed by the Market Maker.[17]

Supplementary Materials .04 and .05 to IEX Rule 23.150(h) provide that the Exchange may change three of the variables in the ORP quote instability calculation. For two aspects of the Quote Instability Calculation formula – the Delta Bound Band[18] and the Quote Instability Threshold[19]– Supplementary Material .04 to IEX Rule 23.150(h) specifies the possible range of values the Exchange may use for each aspect and the initial value for each aspect. Similarly, for the frequency of calculation of implied volatility, which is used to calculate Delta, Supplementary Material .05 to IEX Rule

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15 See Supplementary Material .04 to IEX Rule 23.150(h).

16 See IEX Rule 23.150(h)(1)(A).

17 See IEX Rule 23.150(h)(1)(C).

18 See Supplementary Material .04(1)(q) to IEX Rule 23.150(h). Delta is a key metric in options trading that measures the sensitivity of an option's price to changes in the price of the underlying asset. The Delta Bound Band restricts the ORP from triggering unless the option’s Delta is within the specified band. Currently, the initial value for the Delta Bound Band would be between 0 – 1, with the possible range of values between 0 – 1.

19 See Supplementary Material .04(2)(e) to IEX Rule 23.150(h). Currently, the possible Quote Instability Threshold range will be within a range of 0% – 100%. If the Quote Instability Threshold is set at 100%, the expected change in the NBB/NBO of the option resulting from price movement in the underlying must be at least 100% of the current value of the NBB/NBO of the option for the ORP to trigger. If the Quote Instability Threshold is set at 0%, ORP would trigger if there is any expected change to the NBB/NBO of the option resulting from price movement in the underlying. The current initial value for the Quote Instability Threshold is specified to be 0.1%. When triggered, ORP will only result in the repricing or cancellation of quotes if the change to the NBB/NBO of the option resulting from price movement in the underlying is to a different price level than the current NBB/NBO after rounding to the nearest minimum price variation.

23.150(h) specifies that it will be calculated each half-hour of System operation but that the Exchange may determine to calculate the value more frequently based on its assessment of factors that would optimize application of the ORP.[20]

As specified in Supplementary Material .04 and .05 to IEX Rule 23.150(h), in the event that the Exchange determines to change any of the two variables described above or the frequency of its calculation of implied volatility, it will submit a rule filing pursuant to Rule 19b-4(f) specifying the new value(s). Furthermore, as specified in the Options Rule Filing (and consistent with its approval by the Commission), if the Exchange determines to change such values within the applicable specified ranges, the Exchange will submit a rule filing pursuant to Rule 19b-4(f)(1) under the Act[21] (or other appropriate rule filing type) specifying the new value, within the range of possible values specified in the applicable rule. IEX believes that the proposed changes in this rule filing to values that fall within the previously approved range of possible values constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule, and therefore that a filing pursuant to Rule 19b-4(f)(1) under the Exchange Act is appropriate.[22]

In preparation for launch of IEX Options, the Exchange proposes to modify each of these three (Delta Bound Band, Quote Instability Threshold, and Implied Volatility calculation frequency) variables, as set forth below, in order to optimize the application of the ORP for launch with more conservative settings than initially approved (but within

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[20] See Supplementary Material .05 to IEX Rule 23.150(h).

[21] See 17 CFR 240.19b-4(f)(1). A rule filing pursuant to Rule 19b-4(f)(1) under the Exchange Act takes effect upon filing with the Commission.

[22] See Options Rule Filing, supra, note 9, 90 FR at 26879.

the approved ranges), in order to enable market participants to acclimate to IEX's new options market. The proposed rule change would be operative for IEX Options launch, currently scheduled to begin on October 2, 2026.

Variable	**Current Value**	**Range**	**Proposed Value**
Delta Bound Band	0-1	0-1	0.30 – 1.00
Quote Instability Threshold	0.1%	0% - 100%	0.5%
Implied Volatility Calculation frequency	Each half hour of System operation	No longer than each half hour of System operation	Each one minute of System operation

Accordingly, IEX proposes to amend Supplementary Material .04 and .05 to IEX Rule 23.150(h) to reflect such modifications to the value of each of the three variables, as described above.

The Exchange will issue a Trading Alert announcing the modifications to the values of the three variables, as described above, upon effectiveness of this proposed rule change.

2. Statutory Basis

IEX believes that the proposed rule change is consistent with Section 6(b)[23] of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act,[24] 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 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

23 15 U.S.C. 78f.

24 15 U.S.C. 78f(b)(5).

protect investors and the public interest. Specifically, as discussed in the Purpose section, the proposed change constitutes a stated policy, practice or interpretation with respect to the meaning, administration, or enforcement of existing IEX rules as contemplated by the Options Rule Filing. In this regard, IEX believes that the changes to the manner in which IEX will administer the ORP will optimize application of the ORP for IEX Options launch and thereby support Market Makers in providing more competitive quotes which will benefit all market participants and thereby support the protection of investors and the public interest.

Additionally, the Exchange notes that the ORP will continue to leverage a fixed formula specified transparently in IEX rules, that was previously approved by the Commission.[25] The Exchange is not proposing to add any new functionality, but merely to adjust the values for the three variables for the ORP quote instability calculation within the ranges set forth in IEX rules, as discussed in the Purpose section. Thus, IEX does not believe that the proposed rule change raises any new or novel issues that have not already been considered by the Commission, in that the ORP functionality and IEX's ability to change the three values within specified ranges were previously approved by the Commission.[26]

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

IEX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, as discussed in the Statutory Basis section, the proposal is designed to

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25 See supra note 7.

26 See supra note 7.

enhance competition by optimizing application of the ORP for IEX Options launch.

The Exchange does not believe that the proposed rule change will impose any burden on intra-market competition because it will apply to all Options Members in the same manner and any Options Member could become a Market Maker subject to meeting applicable requirements.

The Exchange also does not believe that the proposal will impose any burden on inter-market competition that is not necessary or appropriate. Competing exchanges are free to adopt similar functionality, subject to the Commission rule filing process.

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 foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(i)[27] of the Act and Rule 19b-4(f)(1)[28] thereunder, in that the proposed rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of IEX.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section

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27 15 U.S.C. 78s(b)(3)(A)(i).

28 17 CFR 240.19b-4(f)(1).

19(b)(2)(B)[29] 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-2026-36 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-2026-36. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (https://www.sec.gov/rules/sro.shtml). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from

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29 15 U.S.C. 78s(b)(2)(B).

publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-IEX-2026-36 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.[30]

Sherry R. Haywood,

Assistant Secretary.

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30 17 CFR 200.30-3(a)(12).

Exhibit 5 – Text of Proposed Rule Change

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

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INVESTORS EXCHANGE RULE BOOK

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CHAPTER 23. Market Participants

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Rule 23.150 Market Maker Quotations

(a) – (h) No change.

• • • Supplementary Material • • •

.01- .03 No change.

.04 Quote instability calculation.

(1) Sensitivity Parameter. The Exchange's proprietary quote instability calculation used to determine the sensitivity parameter for an options series is defined by the following formula that utilizes the variables defined below:

(a) underlying_price: midpoint of the best Protected Bid and best Protected Offer of the Signal Exchanges for the underlying security

(b) underlying_price_lagged: midpoint of the best Protected Bid and best Protected Offer of the Signal Exchanges for the underlying security U_TIME_WINDOW milliseconds prior OR U_UPDATE_WINDOW updates ago, whichever is more recent.

(c) U_TIME_WINDOW : 20

(d) U_UPDATE WINDOW : 100

(e) underlying_change: underlying_price - underlying_price_lagged

(f) underlying_change_down: underlying_change if negative, otherwise 0

(g) underlying_change_up: underlying_change if positive, otherwise 0

(h) strike_price: strike price of the options series

(i) contract: options series is a Call or Put

(j) time_to_expiry: fraction of regular market hours left in trading day plus dates til expiry for the instrument, annualized (divided by 365), with a minimum value of TTE_MIN := 0.00005

(k) implied_volatility: function of strike_price, time_to_expiry, contract, underlying_price, and price of the options series. See Supplementary Material .05.

(l) delta_intermediate:

$$\frac{ln(\frac{\mathbf{underlying\_price}}{\mathbf{strike\_price}}) + \frac{\mathbf{time\_to\_expiry} * \mathbf{implied\_volatility}^2}{2}}{\mathbf{implied\_volatility} * \sqrt{\mathbf{time\_to\_expiry}}}$$

(m) delta_call: cdf_approximation(delta_intermediate)

(n) cdf_approximation(x):= 1 / (1 + exp(-1.65451*x))

(o) delta_put: delta_call – 1

(p) delta_absolute_value: if contract = Call, delta_call, else |delta_put|

(q) Delta Bound Band: To be periodically determined by the Exchange at or within a range of 0 – 1. The current Delta Bound Band is [0 – 1]<u>0.30 – 1.00</u>. If the Exchange determines to change the Delta Bound Band, based on its assessment of relevant factors that would optimize application of the ORP, it will submit a rule filing pursuant to Rule 19b-4(f) under the Exchange Act specifying a new Delta Bound Band.

(r) instrument_PBB/PBO_lagged: value of PBB/PBO for the instrument U_TIME_WINDOW milliseconds prior or U_UPDATE_WINDOW updates ago, whichever is more recent.

(2) Upon an update to the best Protected Bid or best Protected Offer of the Signal Exchanges for the underlying security, the System performs the following calculations:

(a) quote_instability_factor_up: if contract = Call, delta_call * underlying_change_up/instrument_PBO_lagged, else, delta_put * underlying_change_down/instrument_PBO_lagged

(b) quote_instability_factor_down: if contract = Call, -1*delta_call * underlying_change_down/instrument_PBB_lagged, else, -1*delta_put * underlying_change_up/instrument_PBB_lagged

(c) Model will generate a quote instability determination “up” at a price level equal to:

instrument_PBO_lagged*(1+quote_instability_factor_up), rounded to the nearest MPV, if quote_instability_factor_up > Quote Instability Threshold and delta_absolute_value is within Delta Bound Band

(d) Model will generate a quote instability determination “down” at a price level equal to:

instrument_PBB_lagged*(1-quote_instability_factor_down), rounded to the nearest MPV, if quote_instability_factor_down > Quote Instability Threshold and delta_absolute_value is within Delta Bound Band

(e) Quote Instability Threshold: To be periodically determined by the Exchange within a range of 0% – 100%, reflecting the difference between the quote instability determination price level and the then-current price of the option as a percent of the then-current price of the option. The current Quote Instability Threshold is [0.1%]0.5%. If the Exchange determines to change the Quote Instability Threshold, based on its assessment of relevant factors that would optimize application of the ORP, it will submit a rule filing pursuant to Rule 19b-4(f) under the Exchange Act specifying a new Quote Instability Threshold.

.05 Calculation of implied volatility:

The Exchange will compute a value for implied_volatility that is shared across all options series with the same underlying whenever it receives an update to the best Protected Bid or best Protected Offer of the Signal Exchanges for the underlying security. Upon the first such update of each [half-hour]one minute of System operation, the System will compute the following variables:

(a) vol_reference_instrument: Call instrument with earliest expiration date from the current date with closest strike_price to underlying_mid without exceeding underlying_mid

(b) ref_mid: midpoint of the best Protected Bid and best Protected Offer of the Away

Markets for the vol_reference_instrument after it is identified

(c) ref_time_to_expiry: fraction of regular market hours left in trading day plus dates til expiry for vol_reference_instrument, annualized (divided by 365), with a minimum value of TTE_MIN

From these variables and the value of underlying_price defined in Supplementary Material .04 (1)(a) above, the System will compute implied_volatility as follows:

implied_volatility := ref_mid / (0.4 * underlying_price * sqrt(ref_time_to_expiry))

The Exchange may determine to update its implied volatility computation more frequently than each half-hour of System operation, based on its assessment of relevant factors that would optimize application of the ORP, it will submit a rule filing pursuant to Rule 19b-4(f) under the Exchange Act specifying the new timing for implied volatility computation.

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