Investors Exchange Regulatory Information Circular 2026 - 0007

Date: September 24, 2026

To: Members of Investors' Exchange LLC

Re: IEX Options: Compliance with Section 11(a) of the Securities Exchange Act of 1934 and the Rules thereunder

---

Section 11(a) of the Securities Exchange Act prohibits a member of a national securities exchange from effecting transactions on that exchange for its own account, the account of an associated person, or an account over which it or an associated person exercises investment discretion (collectively, "covered accounts") unless an exception applies.

<u>Exceptions to the 11(a) Prohibition</u>

Rule 11a2-2(T) under the Act, known as the "effect versus execute" rule, provides exchange members with an exemption from the Section 11(a)(1) prohibition. Rule 11a2-2(T) permits an exchange member, subject to certain conditions, to effect transactions for covered accounts by arranging for an unaffiliated member to execute transactions on the exchange. To comply with Rule 11a2-2(T)'s conditions, a member:

(i) must transmit the order from off the exchange floor;
(ii) may not participate in the execution of the transaction once it has been transmitted to the member performing the execution;
(iii) may not be affiliated with the executing member; and
(iv) with respect to an account over which the member or an associated person has investment discretion, neither the member nor its associated person may retain any compensation in connection with effecting the transaction except as provided in the Rule.

Off-Floor Transmission

The IEX Options trading system will receive orders from Options Members electronically through remote terminals or computer-to-computer interfaces. The Commission has found that this satisfies the off-floor transmission requirement.

Non-Participation in Order Execution

The IEX Options trading system is designed so that at no time following the submission of an order is an Options Member allowed to acquire control or influence over the result or timing of the order's execution. Accordingly, an Options Member do not participate in the execution of an order submitted to the System.

Execution through Unaffiliated Member

The design of IEX Options trading system ensures that Options Members do not possess any special or unique trading advantages in handling their orders after transmitting them to the exchange. The Commission has stated that this requirement is satisfied by automated exchange facilities with this design.

Non-Retention of Compensation for Discretionary Accounts

In the case of a transaction effected for an account with respect to which the initiating Options Member exercises investment discretion, the Options Member may not retain any compensation in connection with effecting the transaction, unless the person authorized to transact business for the account has expressly provided otherwise by written contract referring to Section 11(a) of the Act and Rule 11a2-2(T) thereunder.

Options Members trading for covered accounts over which they exercise investment discretion must comply with this condition in order to rely on the rule's exemption.

Contact Information

Please contact IEX Regulation at regulation@iextrading.com with any questions regarding this Regulatory Information Circular.