



INVESTORS EXCHANGE MARKET MAKER SPECIFICATION

Version 1.05

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MARKET MAKER REGISTRATION

Investors Exchange (“IEX” or the “Exchange”) offers [Registered Market Makers](#) the ability to register symbols in which they wish to make a market. Registration must be completed by 9 a.m. ET on the business day of the trading date they will be actively quoted on IEX. Registration must be submitted to IEX Market Operations via email at marketops@iextrading.com with a file attachment following the file format detailed below.

Market Makers may request that IEX Market Operations provide the current list of symbols they have registered for the current and next trading session.

Once a symbol has been “ADDED,” the Member will remain registered as a Market Maker in that symbol until the Member submits a request to Market Operations via email at marketops@iextrading.com noting the symbol is to be “REMOVED” in the attached file. All requests submitted after 9:00 a.m. ET will be processed and changes will be effective the next business day.

IEX does not automatically adjust any registration due to corporate actions.

File Format

Each line of the registered securities file represents a rule containing a comma separated list of fields. The fields are defined as follows:

- Symbol: The security represented in [Nasdaq Integrated symbology](#).
- Action: The action is one of the following two values:
 - ADDED: Add symbol to list of symbols for which you will be a Market Maker.
 - REMOVED: Remove symbol from list of symbols for which you will be a Market Maker.

Sample Security Registration Data

MSFT,ADDED

ICE,REMOVED

Excused Withdrawal of Quotations

In general, a market maker that wishes to withdraw quotations in a security in which they are registered shall contact IEX Regulation via email at regulation@iextrading.com to obtain excused withdrawal status prior to withdrawing its quotations. Excused withdrawal status based on illness, vacations or physical circumstances beyond the Market Maker’s control may be granted for up to five (5) business days, unless extended by IEX Regulation. Excused withdrawal status based on investment activity or advice of legal counsel, accompanied by a representation that the condition necessitating the withdrawal of quotations is not permanent in nature, may, upon written request, be granted for not more than sixty (60) days. The withdrawal of quotations because of pending news, a sudden influx of orders or price changes, or to effect transactions with competitors shall not normally constitute acceptable reasons for granting excused withdrawal status.

An IEX Market Maker that wishes to obtain excused withdrawal status based on a market maker’s systemic equipment problems, such as defects in an IEX Market Maker’s software or hardware systems, or connectivity problems associated with the circuits connecting Exchange systems with the IEX Market Maker’s systems, shall contact IEX Market Operations either before or after withdrawing its quotations. IEX Market Operations may grant excused withdrawal



status based on systemic equipment problems for up to five (5) business days, unless extended by IEX Market Operations.

Voluntary Termination of Registration

An IEX Market Maker may voluntarily terminate its registration in a security by withdrawing its two-sided quotation from the Exchange. An IEX Market Maker that voluntarily terminates its registration in a security may not re-register as a market maker in that security for one (1) business day. Withdrawal from participation as an IEX Market Maker in the Exchange shall constitute termination of registration as a market maker in that security.

Notwithstanding the foregoing, an IEX Market Maker that accidentally withdraws as an IEX Market Maker in one or more symbols may be reinstated if:

- The IEX Market Maker notified Regulation of the accidental withdrawal as soon as practicable under the circumstances, but within at least one hour of such withdrawal, and immediately thereafter provided written notification of the withdrawal and reinstatement request;
- It is clear that the withdrawal was inadvertent and the IEX Market Maker was not attempting to avoid its market making obligations; and
- The IEX Market Maker's firm would not exceed the following reinstatement limitations:
 - For firms that simultaneously made markets in less than 250 stocks during the previous calendar year, the firm can receive no more than two (2) reinstatements per year;
 - For firms that simultaneously made markets in 250 or more but less than 500 stocks during the previous calendar year, the firm can receive no more than three (3) reinstatements per year; and
 - For firms that simultaneously made markets in 500 or more stocks during the previous calendar year, the firm can receive no more than six (6) reinstatements per year.

Factors that IEX will consider in granting a reinstatement following an accidental termination in one or more symbols include, but are not limited to (i) the number of accidental withdrawals by the IEX Market Maker in the past, as compared with IEX Market Makers making markets in a comparable number of stocks, (ii) the similarity between the symbol of the stock that the IEX Market Maker intended to withdraw from and the symbol of the stock that the IEX Market Maker actually withdrew from, (iii) market conditions at the time of the withdrawal, (iv) whether, given the market conditions at the time of the withdrawal, the withdrawal served to reduce the exposure of the Member's position in the security at the time of the withdrawal to market risk, and (v) the timeliness with which the IEX Market Maker notified Regulation of the error.

For a full description of the rights and obligations regarding a Market Maker's Withdrawal of Quotations and Voluntary Termination of Registration, as well as the Suspension and Termination of Quotations by IEX, please see [IEX Rules](#) 11.152, 11.153, and 11.154.

MARKET MAKER QUOTING OBLIGATIONS

IEX Market Makers have a continuous quoting and pricing obligations as described in more fully in IEX Rule 11.151(a).

Continuous, Two-Sided Quoting Obligation

IEX Market Makers must maintain continuous two-sided quotations in the securities in which they are registered.



Pricing Obligation

IEX Market Makers must enter bids/offers at a price not more than the Designated Percentage lower/higher than the then current National Best Bid (NBB)/National Best Offer (NBO), or if no NBB/NBO, not more than the Designated Percentage lower/higher than the last reported sale from the responsible single plan processor. In the event that the NBB/NBO (or if no NBB/NBO, the last reported sale) increases/decreases to a level that would cause the interest of the Two-Sided Obligation to be more than the Defined Limit lower/higher than the NBB/NBO (or if no NBB/NBO, the last reported sale), or if the bid/offer is executed or canceled, the Market Maker shall enter new bid/offer.

Designated Percentage and Defined Limit detailed below:

TIME PERIOD	DESIGNATED PERCENTAGE				DEFINED LIMIT		
	S&P 500*, Russell 1000* Index, or a pilot list of Exchange Traded Products	> \$1 per share and not included in the S&P 500*, Russell 1000* Index, or a pilot list of Exchange Traded Products	< \$1 per share and not included in the S&P 500*, Russell 1000* Index, or a pilot list of Exchange Traded Products	Rights & Warrants	S&P 500*, Russell 1000* Index, or a pilot list of Exchange Traded Products	> \$1 per share and not included in the S&P 500*, Russell 1000* Index, or a pilot list of Exchange Traded Products	< \$1 per share and not included in the S&P 500*, Russell 1000* Index, or a pilot list of Exchange Traded Products
9:45 a.m. – 3:35 p.m. ET	8%	28%	30%	30%	9.5%	29.5%	31.5%
9:30 a.m. – 9:45 a.m., 3:35 p.m. – 4:00 p.m. ET	20%	28%	30%	30%	21.5%	29.5%	31.5%

MARKET MAKER PEG ORDERS



To support Market Makers with their quoting and pricing obligations for registered securities, IEX has created a Market Maker Peg order type. This order type essentially functions as a one-sided displayed limit order that allows for quoting at a defined “Market Maker Peg Designated Percentage” away from the NBB or NBO, as applicable. As described below, a Market Maker Peg order is repriced by the System when the order’s displayed price has moved a defined “Market Maker Peg Defined Limit” away or towards the order. A Market Maker Peg order will continue to be repriced by the System until it reaches the Member-defined limit, if any, or an impermissible price (e.g., priced at \$0.00), at which time such order will be canceled back to the Member. If a Market Maker Peg order is decremented to less than one round lot, the order will also be canceled back to the Member.

Market Maker Peg Designated Percentage

The Market Maker Peg order’s price is automatically set and adjusted by the System, both upon entry and any time thereafter, in order to comply with the Exchange’s rules regarding market maker quoting and pricing obligations. Specifically, upon entry or at the beginning of the Regular Market Session, as applicable, the entered bid or offer is automatically priced by the System to a price that is the Market Maker Peg Designated Percentage away from the then current NBB or NBO, as applicable, or if there is no NBB or NBO, at a price that is the Market Maker Peg Designated Percentage away from the last reported sale from the responsible single plan processor. Note that IEX flips the NBBO during a crossed market; therefore, the Market Maker Peg Designated Percentage for Bids is applied to the NBO and the Market Maker Peg Designated Percentage for Offers is applied to the NBB.

The quote will be entered at a specified distance (the “Designated Percentage”) away from the NBB/NBO as follows:

TIME PERIOD	DESIGNATED PERCENTAGE
9:45 a.m. – 3:35 p.m. ET	8%
9:30 a.m. – 9:45 a.m., 3:35 p.m. – 4:00 p.m. ET	20%

Note that the Market Maker Peg Designated Percentage and the Market Maker Peg Defined Limit are narrower than the Designated Percentage and Defined Limits that apply to market makers quoting certain stocks. Thus, market makers using the optional Market Maker Peg order type will quote at narrower spreads than required by IEX Rule 11.151 for stocks not included in the S&P 500® Index, Russell 1000® Index, and a pilot list of Exchange Traded Products.

Automated Quote Updates

Once the Market Maker Peg order has published a quote for a given security, the quote will not be refreshed until it falls outside of a band around its entered price, unless otherwise specified. The band is presently defined to be 1% on the inside and 1.5% on the outside (these percentages are relative to the NBB/NBO)¹:

- A Market Maker Peg Bid will be automatically updated **during the 9:45 a.m. – 3:35 p.m. ET trading period** if it falls outside of the range (NBB x .905) to (NBB x .93).
- A Market Maker Peg Bid will be automatically updated **during all other trading periods** if it falls outside of the range (NBB x .785) to (NBB x .81).

¹ This constitutes the percentage points referenced in IEX Rule 11.190(b)(17).



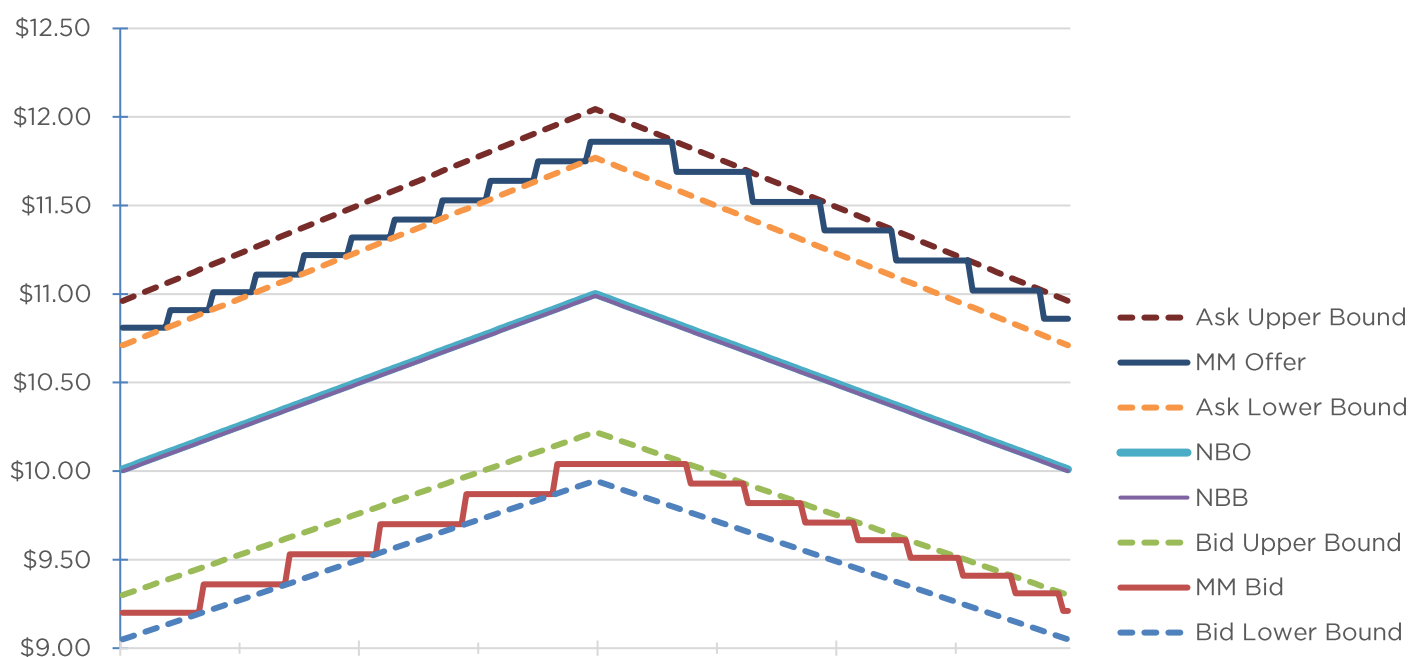
- A Market Maker Peg Offer will be automatically updated **during the 9:45 a.m. – 3:35 p.m. ET trading period** if it falls outside of the range $(NBO \times 1.07)$ to $(NBO \times 1.095)$.
- A Market Maker Peg Offer will be automatically updated **during all other trading periods** if it falls outside of the range $(NBO \times 1.19)$ to $(NBO \times 1.215)$.

When the Market Maker Peg order's price exceeds the Market Maker Peg Defined Limit, the System will automatically reprice the order to the Designated Percentage away from the NBB/NBO, as applicable. However, if, after entry, the Market Maker Peg order is established as the NBB or NBO, the Market Maker Peg order will not be subsequently repriced by the System until a new NBB or NBO is established. Note that all quote calculations will be rounded to the most aggressive displayable tick size (i.e., rounded up for bids and down for offers).

The following diagram and detailed example illustrate how price bands are used to determine when a quote refresh will occur. An NBBO update that causes an existing Market Maker Bid or Ask quote to fall outside of the price band results in a quote refresh as demonstrated in the diagram that follows.

Sample Market Maker Automated Quote Updates

MM Quotes Sample Security
During 9:45 a.m. - 3:35 p.m. ET Trading Hours



Example of Market Maker Automated Quote Updates

Consider an NBBO at \$10.00 X \$10.01 at a time of 9:35 a.m. ET.

An IEX Market Maker Peg is entered to **buy for one round lot at \$8.00** ($10.00 \times .8$) (the "Market Maker Bid") and a Market Maker Peg is entered to **sell for one round lot at \$12.01** (10.01×1.2) (the "Market Maker Offer") in the Security. The price of the orders will be calculated using the Market Maker Peg Designated Percentage of 20%, as set forth above.

For example: if the NBB of a security is \$10 and the Market Maker Peg Designated Percentage for the security is 8%, the displayed price of a Market Maker Peg Order to buy would be \$9.20. In the foregoing example, if the Market Maker



Peg Defined Limit is 9.5% and the NBB increased to \$10.17, such that the displayed price of the Market Maker Peg order would be more than 9.5% away, the order would be repriced to \$9.36, or 8% away from the NBB.

Assume that the **NBBO for the Security moves to \$10.09 X \$10.10**. The current Market Maker Bid of \$8.00 will not be re-priced because it will remain between the price bounds of the NBB (Lower Bound: $10.09 \times .785 = \$7.921$; Upper Bound: $10.09 \times .81 = \$8.173$). The current Market Maker Offer of \$12.01 will fall outside of the range of the price bounds of the NBO (Lower Bound: $10.10 \times 1.19 = \$12.019$; Upper Bound: $10.10 \times 1.215 = \$12.272$), so the **Market Maker Offer will be repriced to \$12.12** (10.10×1.2).

Assume that the **NBBO moves back to \$10.00 X \$10.01**. The Market Maker Bid (\$8.00) will remain within the price bounds of the new NBB (Lower Bound: $10.00 \times .785 = \$7.85$; Upper Bound: $10.00 \times .81 = \$8.10$) and, thus, the **Market Maker Bid will not change**. Similarly, the current Market Maker Offer of \$12.12 will still fall within the price bounds of the NBO (Lower Bound: $10.01 \times 1.19 = \$11.912$; Upper Bound: $10.01 \times 1.215 = \$12.162$) and, thus, the **Market Maker Offer will not change**.

At 9:45 a.m. ET, the Designated Percentage moves to 8% and the IEX Market Maker Peg order will **automatically re-price** the Market Maker Bid to **\$9.20** ($10.00 \times .92$) and the Market Maker Offer to **\$10.81** (10.01×1.08).

Assume that the **NBBO for the Security moves to \$9.89 X \$9.90**. The existing Market Maker Bid of \$9.20 will now fall outside the price bounds of the NBB (Lower Bound: $9.89 \times .905 = \$8.95$; Upper Bound: $9.89 \times .93 = \$9.198$), so the **Market Maker Bid will be re-priced to \$9.10** ($9.89 \times .92$). As the current Market Maker Offer of \$10.81 will remain within the bounds of the NBO (Lower Bound: $9.90 \times 1.07 = \$10.593$; Upper Bound: $9.90 \times 1.095 = \$10.841$), the **Market Maker Offer will not change**.

Assume that the **NBBO now drops to \$9.86 X \$9.87**. The Market Maker Bid of \$9.10 will remain within the price bounds of the new NBB (Lower Bound: $9.86 \times .905 = \$8.923$; Upper Bound: $9.86 \times .93 = \$9.17$) and, thus, the **Market Maker Bid will not change**. The Market Maker Offer of \$10.81, however, will now fall outside the price bounds associated with the new NBO (Lower Bound: $9.87 \times 1.07 = \$10.561$; Upper Bound: $9.87 \times 1.095 = \$10.808$) and the **Market Maker Offer will be repriced to \$10.66** (9.87×1.08).

As the NBBO moves, the Designated Percentage of 8% will continue to be used to determine the lower and upper bounds for Market Maker Peg order re-pricing.

Assume the NBBO is \$10.00 X \$10.01 **at 3:35 p.m. ET at which time the Designated Percentage of 20% goes back into effect**. At this point, the IEX Market Maker Peg order will **automatically reprice** the Market Maker Bid to **\$8.00** ($10.00 \times .8$) and the Market Maker Offer to **\$12.01** (10.01×1.2).

Market Maker Peg Order Specifications

For complete details regarding order entry settings required for Market Maker Peg orders, please refer to the order entry specification:

- [IEX FIX Specification](#)

SUPPORT

If you have any questions or would like to register as a Market Maker on IEX, please contact your account manager or IEX Market Operations.

Business Development (Sales)

646.343.2110 or sales@iextrading.com



Market Operations

646.343.2310 or marketops@iextrading.com

Regulation

646.343.2034 or regulation@iextrading.com



REVISION HISTORY

Version	Date	Change
1.00	July 21, 2017	Initial document
1.01	August 17, 2017	Updated Reference Price determination when no NBB/NBO or Last Sale exists to align with IEX Rules. Specified repricing behavior when a Market Maker Peg order is established as the NBB or NBO.
1.02	October 12, 2017	Fixed typo.
1.03	June 8, 2018	Fixed typo.
1.04	June 12, 2018	Updated Sales and Market Operations phone numbers.
1.05	December 17, 2021	Updated to include Market Maker Price and Quoting requirements Updated reintroduction of Market Maker Peg Order Type