

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 20	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2017 - * 38	Amendment No. (req. for Amendments *)
Filing by Investors' Exchange LLC Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934			
Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>
		Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Rule			
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input checked="" type="checkbox"/> 19b-4(f)(6)
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010		Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934	
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>	Section 3C(b)(2) * <input type="checkbox"/>	
Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
<b>Description</b>			
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).			
Proposed rule change to adopt new Rule 6.210 related to ex-dates for securiteis listed or traded on the Exchange.			
<b>Contact Information</b>			
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 *	Claudia	Last Name *	Crowley
Title *	Chief Regulatory Officer		
E-mail *	claudia.crowley@iextrading.com		
Telephone *	(646) 343-2041	Fax	
<b>Signature</b>			
Pursuant to the requirements of the Securities Exchange Act of 1934,			
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.			
(Title *)			
Date	10/27/2017	Chief Regulatory Officer	
By	Claudia Crowley		
(Name *)			
NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.			
		claudia.crowley@iextrading.com	

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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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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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 Advance 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, security-based swap submission, or advance notice 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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Exhibit Sent As Paper Document

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 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

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 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**

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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”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to adopt new Rule 6.210 (Ex-Dividend or Ex-Right Dates) related to ex-dates for securities listed or traded on the Exchange. The Exchange has designated this proposal as “non-controversial” and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.<sup>3</sup>

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 respect to the proposed rule change are complete.

The persons on the Exchange staff prepared to respond to questions and

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 17 CFR 240.19b-4(f)(6)(iii).

comments on the proposed rule change are:

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

Sophia Lee  
General Counsel  
Investors Exchange LLC  
646-343-2040

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

a. Purpose

On June 17, 2016 the Commission granted IEX's application for registration as a national securities exchange under Section 6 of the Act including approval of rules applicable to the qualification, listing and delisting of companies on the Exchange. The Exchange plans to begin a listing program in early 2018 and is proposing to adopt Rule 6.210 related to ex-dates for securities listed on IEX.

IEX Rule 2.160(c)(4) requires in substance that an Exchange Member must be a Member of a registered clearing agency registered with the Commission pursuant to Section 17A of the Act or clear transactions executed on the Exchange through another Member that is a Member of a registered clearing agency. In addition, IEX Rule 6.110(a) provides that every Exchange Member who is a Member of a registered clearing agency shall implement comparison and settlement procedures under the rules of such entity. Further, IEX Rule 11.250(a) provides that the Exchange maintains connectivity and access to the Universal Trade Capture of the National Securities Clearing Corporation ("NSCC") for the transmission of executed transactions. Pursuant to these provisions, all IEX Members are either Members of the NSCC or clear transactions executed on the Exchange through another Member that is a Member of NSCC. Thus, IEX Members must comply with NSCC comparison and settlement procedures for all transactions

executed on the Exchange.

NSCC and other listing exchanges have rules related to securities settlement which specify the requirements and process for designation of so-called “ex-dates” in the event that the issuer of a security enters into certain types of corporate actions, including declaration of a dividend, and issuance of rights or warrants (i.e., the corporate action consideration).<sup>4</sup> Generally, an issuer of securities will establish a record date to determine which security holders are entitled to the corporate action consideration – security holders of record on the record date are entitled to the corporate action consideration. Because virtually all securities transactions now settle on the second business day after trade date (“T+2”) pursuant to Rule 15c6-1 under the Act,<sup>5</sup> a purchaser of a security on the business day prior to the record date will not be the security holder of record on the record date. For example, if the record date for XYZ’s issuance of a dividend is December 19, 2017, a purchaser on December 18, 2017 will not be the holder or record until December 20, 2017. The purchaser will not be the holder of record on December 19, 2017 and therefore will not be entitled to the dividend.

Thus, to provide certainty as to which security holder will receive the corporate action consideration it is necessary to establish “ex-dates” that denote the date on and after which a security will no longer trade with the corporate action consideration. Most listing exchanges, as well as the Financial Industry Regulatory Authority (“FINRA”) have such rules, which specify that generally a security will trade “ex” two business days

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<sup>4</sup> See, e.g., NYSE Arca Equities Rule 7.4.

<sup>5</sup> The Commission recently adopted amendments to Rule 15c6-1(a) under the Act to shorten the standard, regular-way settlement cycle from T+3 to T+2 or the second business day after trade date. See, Securities Exchange Act Release No. 34-80295 (March 22, 2016), 82 FR 15564 (March 29, 2017) (S7-22-16). The compliance date for the amendments was September 5, 2017.

prior to the record date. In the example above, XYZ would trade “ex-dividend” beginning on December 18, 2017.

Accordingly, in connection with the planned launch of its listing program, the Exchange proposes to adopt Rule 6.210 to specify when transactions in securities traded “regular” shall be “ex-dividend” or “ex-rights” as the case may be. As proposed, Rule 6.210 provides that transactions in securities traded "regular" shall be "ex-dividend" or "ex-rights" as the case may be, on the business day preceding the record date fixed by the company or the date of the closing of transfer books, except when the Board of Directors rules otherwise.<sup>6</sup> Should such record date or such closing of transfer books occur upon a day other than a business day Rule 6.210 shall apply for the second preceding business day.

As proposed, Rule 6.210 is substantially identical to NYSE Arca Rule 7.4-E with only a minor difference in that proposed Rule 6.210 refers to “securities” rather than “stocks” to be inclusive of listed securities that are not strictly speaking characterized as stocks (e.g., rights and warrants).

In connection with their “ex-date” rules, other listing exchanges disseminate relevant information regarding such corporate actions by their listed companies to market participants.<sup>7</sup> Corporate action information regarding IEX listed companies will also be

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<sup>6</sup> Exceptions would be expected to occur in circumstances where the listed company’s corporate action consideration is relatively large (typically 25% or greater than the value of the security) or definitive information is not received by the Exchange sufficiently in advance of the record date, as required by IEX Rule 14.207(e)(6), to permit the designation of an “ex-dividend” or “ex-rights” date in accordance with Rule 6.210. In such cases, the ex-date would generally be on the first business day which is practical given the relevant circumstances.

<sup>7</sup> See, <http://www.nyxdata.com/Data-Products/NYSE-Corporate-Actions?rfrby=sum#> describing the NYSE Group Corporate Actions package of reports sold by NYSE Group regarding corporate actions for all equities listed on NYSE, NYSE MKT and NYSE Arca. See also, <http://www.nasdaqtrader.com/Trader.aspx?id=dailylistpd> describing the Nasdaq Daily List sold by

posted on the IEX website for viewing and download, without charge.

b. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>8</sup> in general and furthers the objectives of Section 6(b)(5)<sup>9</sup> of the Act in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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. The Exchange believes that the proposed rule change supports these objectives because it is designed to enable the Exchange to provide clarity to market participants on applicable “ex-dates” for securities listed on IEX in connection with corporate actions involving consideration to be paid or distributed to security holders.

Further, the Exchange believes that the proposed rule change is consistent with the protection of investors and the public interest because it provides authority to the Exchange to determine ex-dates in circumstances warranting a different ex-date than the business day preceding the record date fixed by the company or the date of closing of transfer books.

Finally, the Exchange believes that the proposed rule change will serve to promote clarity and consistency among market participants thereby facilitating investor protection and the public interest.

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Nasdaq that provides certain corporate action data for Nasdaq listed securities. See also, BAT BZX (“BATS”) Exchange corporate action reports available without charge at: [https://www.bats.com/us/equities/market\\_statistics/corporate\\_action/](https://www.bats.com/us/equities/market_statistics/corporate_action/).

<sup>8</sup> 15 U.S.C. 78f.

<sup>9</sup> 15 U.S.C. 78f(b)(5).

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, as amended. The proposed rule change is not designed to address any competitive issues but rather to provide for the appropriate determination and dissemination of ex-dates, to provide certainty as to which security holder will receive the corporate action consideration. The Exchange also believes that the proposed rule change will serve to promote clarity and consistency, as noted in the Statutory Basis section, thereby reducing burdens on competition and facilitating investor protection.

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 Exchange believes that this proposal qualifies for effectiveness on filing as a "non-controversial" rule change in accordance with Section 19(b)(3)(A) of the Act<sup>10</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>11</sup>

The Exchange asserts that the proposed rule change (i) will not significantly affect the protection of investors or the public interest, (ii) will not impose any significant burden on competition, and (iii) by its terms, will not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate, if

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 C.F.R. 240.19b-4.



consistent with the protection of investors and the public interest. In addition, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing, or such shorter time as the Commission may designate.

The Exchange believes that this filing is non-controversial because it is substantially identical to NYSE Arca Rule 7.4-E and thus raises no new or novel issues that have not been previously considered by the Commission. Accordingly, the Exchange believes that the proposed rule change is eligible for immediate effectiveness.<sup>12</sup>

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. The proposed rule change is designed to enable the Exchange to provide clarity to market participants on applicable “ex-dates” for securities listed on IEX in connection with corporate actions involving consideration to be paid or distributed to security holders, to promote clarity and consistency among market participants thereby facilitating investor protection and the public interest. Waiver of the operative delay is, therefore, consistent with the protection of investors and the public interest because it will allow the Exchange to implement the proposed rule change to coincide with IEX’s listing launch which may occur sooner than 30-days from effectiveness.

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

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<sup>12</sup> See Securities Exchange Act Release No. 58092 (July 3, 2008), 73 FR 40144 (July 11, 2008) (concerning 17 CFR 200 and 241).

Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) of the Act to determine whether the proposed rule change should be approved or disapproved.<sup>13</sup>

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

The proposed rule change is based on NYSE Arca Rules 7.4-E.

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

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<sup>13</sup> 15 U.S.C. 78s(b)(2)(B).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34 -     ); File No. SR-IEX-2017-38)

Self-Regulatory Organizations: Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt New Rule 6.210 Related to Ex-Dates for Securities Listed or Traded on the Exchange.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> 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”),<sup>4</sup> and Rule 19b-4 thereunder,<sup>5</sup> Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Commission a proposed rule change to adopt new Rule 6.210 (Ex-Dividend or Ex-Right Dates) related to ex-dates for securities listed or traded on the Exchange. The Exchange has designated this proposal as “non-controversial” and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> 15 U.S.C. 78s(b)(1).

<sup>5</sup> 17 CFR 240.19b-4.

Act.<sup>6</sup>

The text of the proposed rule change is available at the Exchange's website at [www.iextrading.com](http://www.iextrading.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

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 statement 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 June 17, 2016 the Commission granted IEX's application for registration as a national securities exchange under Section 6 of the Act including approval of rules applicable to the qualification, listing and delisting of companies on the Exchange. The Exchange plans to begin a listing program in early 2018 and is proposing to adopt Rule 6.210 related to ex-dates for securities listed on IEX.

IEX Rule 2.160(c)(4) requires in substance that an Exchange Member must be a Member of a registered clearing agency registered with the Commission pursuant to Section 17A of the Act or clear transactions executed on the Exchange through another Member that is a Member of a registered clearing agency. In addition, IEX Rule 6.110(a)

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<sup>6</sup> 17 CFR 240.19b-4(f)(6)(iii).

provides that every Exchange Member who is a Member of a registered clearing agency shall implement comparison and settlement procedures under the rules of such entity. Further, IEX Rule 11.250(a) provides that the Exchange maintains connectivity and access to the Universal Trade Capture of the National Securities Clearing Corporation (“NSCC”) for the transmission of executed transactions. Pursuant to these provisions, all IEX Members are either Members of the NSCC or clear transactions executed on the Exchange through another Member that is a Member of NSCC. Thus, IEX Members must comply with NSCC comparison and settlement procedures for all transactions executed on the Exchange.

NSCC and other listing exchanges have rules related to securities settlement which specify the requirements and process for designation of so-called “ex-dates” in the event that the issuer of a security enters into certain types of corporate actions, including declaration of a dividend, and issuance of rights or warrants (i.e., the corporate action consideration).<sup>7</sup> Generally, an issuer of securities will establish a record date to determine which security holders are entitled to the corporate action consideration – security holders of record on the record date are entitled to the corporate action consideration. Because virtually all securities transactions now settle on the second business day after trade date (“T+2”) pursuant to Rule 15c6-1 under the Act,<sup>8</sup> a purchaser of a security on the business day prior to the record date will not be the security holder of record on the record date. For example, if the record date for XYZ’s issuance of a

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<sup>7</sup> See, e.g., NYSE Arca Equities Rule 7.4.

<sup>8</sup> The Commission recently adopted amendments to Rule 15c6-1(a) under the Act to shorten the standard, regular-way settlement cycle from T+3 to T+2 or the second business day after trade date. See, Securities Exchange Act Release No. 34-80295 (March 22, 2016), 82 FR 15564 (March 29, 2017) (S7-22-16). The compliance date for the amendments was September 5, 2017.

dividend is December 19, 2017, a purchaser on December 18, 2017 will not be the holder or record until December 20, 2017. The purchaser will not be the holder of record on December 19, 2017 and therefore will not be entitled to the dividend.

Thus, to provide certainty as to which security holder will receive the corporate action consideration it is necessary to establish “ex-dates” that denote the date on and after which a security will no longer trade with the corporate action consideration. Most listing exchanges, as well as the Financial Industry Regulatory Authority (“FINRA”) have such rules, which specify that generally a security will trade “ex” two business days prior to the record date. In the example above, XYZ would trade “ex-dividend” beginning on December 18, 2017.

Accordingly, in connection with the planned launch of its listing program, the Exchange proposes to adopt Rule 6.210 to specify when transactions in securities traded “regular” shall be “ex-dividend” or “ex-rights” as the case may be. As proposed, Rule 6.210 provides that transactions in securities traded "regular" shall be "ex-dividend" or "ex-rights" as the case may be, on the business day preceding the record date fixed by the company or the date of the closing of transfer books, except when the Board of Directors rules otherwise.<sup>9</sup> Should such record date or such closing of transfer books occur upon a day other than a business day Rule 6.210 shall apply for the second preceding business day.

As proposed, Rule 6.210 is substantially identical to NYSE Arca Rule 7.4-E with

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<sup>9</sup> Exceptions would be expected to occur in circumstances where the listed company’s corporate action consideration is relatively large (typically 25% or greater than the value of the security) or definitive information is not received by the Exchange sufficiently in advance of the record date, as required by IEX Rule 14.207(e)(6), to permit the designation of an “ex-dividend” or “ex-rights” date in accordance with Rule 6.210. In such cases, the ex-date would generally be on the first business day which is practical given the relevant circumstances.

only a minor difference in that proposed Rule 6.210 refers to “securities” rather than “stocks” to be inclusive of listed securities that are not strictly speaking characterized as stocks (e.g., rights and warrants).

In connection with their “ex-date” rules, other listing exchanges disseminate relevant information regarding such corporate actions by their listed companies to market participants.<sup>10</sup> Corporate action information regarding IEX listed companies will also be posted on the IEX website for viewing and download, without charge.

## 2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>11</sup> in general and furthers the objectives of Section 6(b)(5)<sup>12</sup> of the Act in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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. The Exchange believes that the proposed rule change supports these objectives because it is designed to enable the Exchange to provide clarity to market participants on applicable “ex-dates” for securities listed on IEX in connection with corporate actions involving consideration to be paid or distributed to security holders.

Further, the Exchange believes that the proposed rule change is consistent with

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<sup>10</sup> See, <http://www.nyxdata.com/Data-Products/NYSE-Corporate-Actions?rfrby=sum#> describing the NYSE Group Corporate Actions package of reports sold by NYSE Group regarding corporate actions for all equities listed on NYSE, NYSE MKT and NYSE Arca. See also, <http://www.nasdaqtrader.com/Trader.aspx?id=dailylistpd> describing the Nasdaq Daily List sold by Nasdaq that provides certain corporate action data for Nasdaq listed securities. See also, BAT BZX (“BATS”) Exchange corporate action reports available without charge at: [https://www.bats.com/us/equities/market\\_statistics/corporate\\_action/](https://www.bats.com/us/equities/market_statistics/corporate_action/).

<sup>11</sup> 15 U.S.C. 78f.

<sup>12</sup> 15 U.S.C. 78f(b)(5).

the protection of investors and the public interest because it provides authority to the Exchange to determine ex-dates in circumstances warranting a different ex-date than the business day preceding the record date fixed by the company or the date of closing of transfer books.

Finally, the Exchange believes that the proposed rule change will serve to promote clarity and consistency among market participants thereby facilitating investor protection and the public interest.

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, as amended. The proposed rule change is not designed to address any competitive issues but rather to provide for the appropriate determination and dissemination of ex-dates, to provide certainty as to which security holder will receive the corporate action consideration. The Exchange also believes that the proposed rule change will serve to promote clarity and consistency, as noted in the Statutory Basis section, thereby reducing burdens on competition and facilitating investor protection.

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)<sup>13</sup> of the Act and Rule 19b-4(f)(6)<sup>14</sup> thereunder. Because the proposed rule

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<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f)(6).



change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>15</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>16</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay. The Exchange respectfully requested that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. The proposed rule change is designed to enable the Exchange to provide clarity to market participants on applicable “ex-dates” for securities listed on IEX in connection with corporate actions involving consideration to be paid or distributed to security holders, to promote clarity and consistency among market participants thereby facilitating investor protection and the public interest. Waiver of the operative delay is, therefore, consistent with the protection of investors and the public interest because it will allow the Exchange to implement the proposed rule change to coincide with IEX’s listing launch which may occur sooner than 30-days from effectiveness.

At any time within 60 days of the filing of the proposed rule change, the

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<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 17 CFR 240.19b-4(f)(6)(iii).

Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>17</sup> 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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-IEX-2017-38 on the subject line.

##### Paper Comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-IEX-2017-38. This file number should be included in 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

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<sup>17</sup> 15 U.S.C. 78s(b)(2)(B).

(<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Section, 100 F Street, NE, Washington, DC 20549-1090. Copies of the filing will also be available for inspection and copying at the IEX's principal office and on its Internet website at [www.iextrading.com](http://www.iextrading.com). All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-IEX-2017-38 and should be submitted on or before [insert date 21 days from publication in the Federal Register]. For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

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<sup>18</sup> 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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Rule 6.210 Ex-Dividend or Ex-Right Dates

Transactions in securities traded "regular" shall be "ex-dividend" or "ex-rights" as the case may be, on the business day preceding the record date fixed by the company or the date of the closing of transfer books, except when the Board of Directors rules otherwise. Should such record date or such closing of transfer books occur upon a day other than a business day this Rule shall apply for the second preceding business day.

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