

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2019 - * 06 Amendment No. (req. for Amendments *)
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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"/>
Pilot <input type="checkbox"/>			Rule		
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 checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input 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"/>
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**Description**

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

Proposed Rule Change to modify IEX's Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to correct two minor Fee Code combination to conform each to the applicable fee.

**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 \* Claudia Last Name \* Crowley  
 Title \* Chief Regulatory Officer  
 E-mail \* claudia.crowley@iextrading.com  
 Telephone \* (646) 343-2041 Fax

**Signature**

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 07/15/2019  
 By Claudia Crowley  
 Chief Regulatory Officer  
 claudia.crowley@iextrading.com

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.

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

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

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**

Add Remove View

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**

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

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 modify its Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to correct two minor Fee Code combination to conform each to the applicable fee. The Exchange proposes to implement the change immediately upon filing, pursuant to Section 19(b)(3)(A)(ii) of 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 person on the Exchange staff prepared to respond to questions and comments

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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> 15 U.S.C. 78s(b)(3)(A)(ii).

on the proposed rule change is:

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

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

a. Purpose

The Exchange proposes to modify its Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to correct two minor Fee Code combination descriptions to conform each to the applicable fee. Specifically, the Exchange proposes to change the words “non-displayed” to “displayed” in the descriptions of fee codes LSN and LSQN. As discussed below, neither descriptive error had any impact on IEX Members because the applicable fees were correctly applied.

Effective July 1, 2018, IEX modified the structure of its Fee Schedule in order to provide more clarity to market participants regarding the fees assessed for executions on the Exchange (“Fee Schedule Update”).<sup>4</sup> Among other changes, the Fee Schedule Update added a table of all possible Fee Code combinations, a description of each combination, and the applicable fee.

The Exchange recently identified that the descriptions for the LSN and LSQN Fee Code combinations are inaccurate. Each description incorrectly states that the execution involves removing non-displayed liquidity rather than displayed liquidity.<sup>5</sup> As described

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<sup>4</sup> See Securities Exchange Act Release No. 83582 (July 2, 2018) 83 FR 31828 (July 9, 2018) (SR-IEX-2018-11).

<sup>5</sup> The IEX Fee Schedule currently describes Fee Code LSN as “Member removes non-displayed liquidity provided by such Member with a spread-crossing eligible order” and

in the Fee Schedule Update, IEX uses a Fee Code of “L” to designate executions that provide or take resting interest with displayed priority, and a Fee Code of “T” to designate executions that provide or take resting interest with non-displayed priority.<sup>6</sup> Thus, Fee Code “L” is accurately defined in the Fee Schedule as relating to the adding or removing of displayed liquidity, and a Fee Code combination that includes “L” should reference displayed liquidity. Notwithstanding these errors, the table correctly specifies that both Fee Code combinations are free of charge.<sup>7</sup> This is because each includes Fee Code “S” pursuant to which a Member’s order that executes against resting liquidity provided by the same Member is free of charge.<sup>8</sup> Thus, although the Fee Code descriptions for LSN and LSQN inaccurately state that they apply to removal of non-displayed interest, IEX has correctly billed all executions pursuant to each Fee Code combination.<sup>9</sup> In addition, Fee Code combinations ISN and ISQN apply to an execution in which a Member removes non-displayed liquidity provided with a spread-crossing eligible order or a Member removes non-displayed liquidity provided by such Member during periods of quote instability with a spread-crossing eligible order, respectively.

Accordingly, the Exchange proposes to correct the IEX Fee Schedule to reflect that Fee Codes LSN and LSQN apply to the removal of displayed liquidity, not non-

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Fee Code LSQN as “Member removes non-displayed liquidity provided by such Member during periods of quote instability with a spread-crossing eligible order.”

<sup>6</sup> See Fee Schedule Update, Note 4, at 5.

<sup>7</sup> Under some circumstances, executions that receive the LSQN Fee Code combination are not free to the liquidity remover. Specifically, executions that include Fee Code “Q” are subject to footnote 1 of the Fee Schedule which specifies when the Crumbling Quote Remove Fee identified in the Fee Code Modifiers table applies.

<sup>8</sup> Id.

<sup>9</sup> Notably, other lines in the Fee Code Combinations and Associated Fees table correctly indicate that Fee Code combinations containing Fee Code “L” apply to the removal of displayed liquidity. See, e.g., Fee Codes LS, LQ, LN, and LSQ.

displayed liquidity.

IEX notes, as suggested by the May 21, 2019 Staff Guidance on SRO Rule Filings Relating to Fees (“Guidance”),<sup>10</sup> that these proposed corrections to the descriptions of two Fee Codes do not involve any new or changed fees, because IEX will continue to charge Members no fee for executions that remove displayed liquidity from the same Member with a spread-crossing eligible order. Additionally, IEX is not proposing any new product, service, or fee change. While, the Guidance does not suggest that IEX provide an analysis of any impact this proposal will have on market participants, IEX notes that this proposed rule change will have no impact on market participants because it merely corrects descriptive text in the Fee Schedule.

b. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b)<sup>11</sup> of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>12</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange believes that it is consistent with the Act to correct the Fee Schedule so that the Fee Schedule is accurate, avoiding any potential confusion among Members. The Exchange further believes that the correction to the Fee Schedule is reasonable, equitable, and not unfairly discriminatory because all Members will be subject to the same fee structure.

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<sup>10</sup> See Staff Guidance on SRO Rule Filings Relating to Fees (May 21, 2019) available at <https://www.sec.gov/tm/staff-guidance-sro-rule-filings-fees>.

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

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

As described in the Purpose section above, this proposed rule change does not change any fees charged by IEX, but rather corrects inaccurate descriptions of two Fee Code combinations. Thus, the proposed fee change will provide clarity to market participants regarding the meaning of Fee Codes LSN and LSQN, therefore making the Exchange's Fee Schedule clearer and more deterministic to the benefit of all market participants.

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

The Exchange does not believe that the proposed rule change will impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is designed to correct an inadvertent error rather than a competitive issue.

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)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>13</sup> IEX has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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

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

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) of the Act to determine whether the proposed rule change should be approved or disapproved.<sup>14</sup>

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

Not applicable.

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

Not applicable.

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

Not applicable.

11. Exhibits

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

Exhibit 5 – Text of Proposed Rule Change.

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<sup>14</sup> 15 U.S.C. 78s(b)(2)(B).

## EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34 -     ); File No. SR-IEX-2019-06)

Self-Regulatory Organizations: Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to modify its Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to correct two minor Fee Code combination to conform each to the applicable fee.

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 Act,<sup>4</sup> and Rule 19b-4 thereunder,<sup>5</sup> IEX is filing with the Commission a proposed rule change to modify its Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to correct two minor Fee Code combination to conform each to the applicable fee. The Exchange proposes to implement

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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.

the change immediately upon filing, pursuant to Section 19(b)(3)(A)(ii) of the 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

The Exchange proposes to modify its Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to correct two minor Fee Code combination descriptions to conform each to the applicable fee. Specifically, the Exchange proposes to change the words "non-displayed" to "displayed" in the descriptions of fee codes LSN and LSQN. As discussed below, neither descriptive error had any impact on IEX Members because the applicable fees were correctly applied.

Effective July 1, 2018, IEX modified the structure of its Fee Schedule in order to provide more clarity to market participants regarding the fees assessed for executions on

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<sup>6</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

the Exchange (“Fee Schedule Update”).<sup>7</sup> Among other changes, the Fee Schedule Update added a table of all possible Fee Code combinations, a description of each combination, and the applicable fee.

The Exchange recently identified that the descriptions for the LSN and LSQN Fee Code combinations are inaccurate. Each description incorrectly states that the execution involves removing non-displayed liquidity rather than displayed liquidity.<sup>8</sup> As described in the Fee Schedule Update, IEX uses a Fee Code of “L” to designate executions that provide or take resting interest with displayed priority, and a Fee Code of “I” to designate executions that provide or take resting interest with non-displayed priority.<sup>9</sup> Thus, Fee Code “L” is accurately defined in the Fee Schedule as relating to the adding or removing of displayed liquidity, and a Fee Code combination that includes “L” should reference displayed liquidity. Notwithstanding these errors, the table correctly specifies that both Fee Code combinations are free of charge.<sup>10</sup> This is because each includes Fee Code “S” pursuant to which a Member’s order that executes against resting liquidity provided by the same Member is free of charge.<sup>11</sup> Thus, although the Fee Code descriptions for LSN and LSQN inaccurately state that they apply to removal of non-displayed interest, IEX

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<sup>7</sup> See Securities Exchange Act Release No. 83582 (July 2, 2018) 83 FR 31828 (July 9, 2018) (SR-IEX-2018-11).

<sup>8</sup> The IEX Fee Schedule currently describes Fee Code LSN as “Member removes non-displayed liquidity provided by such Member with a spread-crossing eligible order” and Fee Code LSQN as “Member removes non-displayed liquidity provided by such Member during periods of quote instability with a spread-crossing eligible order.”

<sup>9</sup> See Fee Schedule Update, Note 7, at 5.

<sup>10</sup> Under some circumstances, executions that receive the LSQN Fee Code combination are not free to the liquidity remover. Specifically, executions that include Fee Code “Q” are subject to footnote 1 of the Fee Schedule which specifies when the Crumbling Quote Remove Fee identified in the Fee Code Modifiers table applies.

<sup>11</sup> Id.

has correctly billed all executions pursuant to each Fee Code combination.<sup>12</sup> In addition, Fee Code combinations ISN and ISQN apply to an execution in which a Member removes non-displayed liquidity provided with a spread-crossing eligible order or a Member removes non-displayed liquidity provided by such Member during periods of quote instability with a spread-crossing eligible order, respectively.

Accordingly, the Exchange proposes to correct the IEX Fee Schedule to reflect that Fee Codes LSN and LSQN apply to the removal of displayed liquidity, not non-displayed liquidity.

IEX notes, as suggested by the May 21, 2019 Staff Guidance on SRO Rule Filings Relating to Fees (“Guidance”),<sup>13</sup> that these proposed corrections to the descriptions of two Fee Codes do not involve any new or changed fees, because IEX will continue to charge Members no fee for executions that remove displayed liquidity from the same Member with a spread-crossing eligible order. Additionally, IEX is not proposing any new product, service, or fee change. While, the Guidance does not suggest that IEX provide an analysis of any impact this proposal will have on market participants, IEX notes that this proposed rule change will have no impact on market participants because it merely corrects descriptive text in the Fee Schedule.

## 2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of

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<sup>12</sup> Notably, other lines in the Fee Code Combinations and Associated Fees table correctly indicate that Fee Code combinations containing Fee Code “L” apply to the removal of displayed liquidity. See, e.g., Fee Codes LS, LQ, LN, and LSQ.

<sup>13</sup> See Staff Guidance on SRO Rule Filings Relating to Fees (May 21, 2019) available at <https://www.sec.gov/tm/staff-guidance-sro-rule-filings-fees>.

Section 6(b)<sup>14</sup> of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>15</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange believes that it is consistent with the Act to correct the Fee Schedule so that the Fee Schedule is accurate, avoiding any potential confusion among Members. The Exchange further believes that the correction to the Fee Schedule is reasonable, equitable, and not unfairly discriminatory because all Members will be subject to the same fee structure.

As described in the Purpose section above, this proposed rule change does not change any fees charged by IEX, but rather corrects inaccurate descriptions of two Fee Code combinations. Thus, the proposed fee change will provide clarity to market participants regarding the meaning of Fee Codes LSN and LSQN, therefore making the Exchange's Fee Schedule clearer and more deterministic to the benefit of all market participants.

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

The Exchange does not believe that the proposed rule change will impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is designed to correct an inadvertent error rather than a competitive issue.

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.

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<sup>14</sup> 15 U.S.C. 78f.

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

### 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)(ii)<sup>16</sup> of the Act.

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 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-2019-06 on the subject line.

#### Paper Comments:

- Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities

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<sup>16</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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

and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-IEX-2019-06. 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 (<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, on official business days between the hours of 10:00 a.m. and 3:00 p.m. 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-2019-06 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.

**Investors Exchange Fee Schedule**

Effective [September 26]July 15, 2019[8]

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**Transaction fees**

- All fees identify cost per share executed unless otherwise specified.
- Footnotes provide further explanatory text or indicate variable rate changes, provided the conditions in the footnote are met.
- The rates listed in the Base Rates table apply unless a Member's transaction is assigned a Fee Code other than a Base Fee Code (an "Additional Fee Code"). If a Member's transaction is assigned an Additional Fee Code, the rates listed in the Fee Codes and Associated Fees table will apply.
- Executions below \$1.00 are assessed a fee of 0.30% of TDV unless the Fee Code Combination results in a FREE execution.
- The Exchange passes-through in full any fees charged by/rebates received from away venues ("Cost") to the Member and adds the IEX fee (i.e., a \$0.0001 charge per share).

**Definitions**

- "Fee Code" is identified on each execution report message from the Exchange in the Trade Liquidity Indicator (FIX tag 9730) field.
- "MPID" means a market participant identifier.
- "TDV" means the total dollar value of the execution calculated as the execution price multiplied by the number of shares executed in the transaction.
- "Quote instability" is defined in IEX Rule 11.190(g).
- "CQRF Threshold" means the Crumbling Quote Remove Fee Threshold. The threshold is equal to 5% of the sum of a Member's total monthly executions on IEX, measured on a per logical port (i.e., session) per MPID basis.
- "Spread-crossing eligible order" means a buy order that is executable at the NBO or a sell order that is executable at the NBB after accounting for the order's limit (if any), peg instruction (if any), market conditions, and all applicable rules and regulations.

**Base Rates:**

Base Fee Codes	Description	Executions at or above \$1.00	Executions below \$1.00
I, X	Standard Match Fee	\$0.0009	0.30% of TDV
L	Reduced Match Fee	\$0.0003	0.30% of TDV
O, C, H, P	Auction Match Fee	\$0.0003	0.30% of TDV
Alpha	Routing and removing liquidity (all routing options)	Cost + \$0.0001	

**Fee Code Modifiers:**

Additional Fee Codes	Description	Fee
S	Internalization Fee: Member executes against resting liquidity provided by such Member	FREE
Q	Crumbling Quote Remove Fee: removes liquidity during periods of quote instability at or within the NBBO above the CQRF Threshold, measured on an MPID basis <sup>1</sup>	\$0.0030
N	Spread-Crossing Eligible Remove Fee: removes liquidity with a spread-crossing eligible order	\$0.0009
D	Discounted Single-Price Cross Fee: displayed interest resting on the Continuous Book executes in a cross or auction	FREE

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**Fee Code Combinations and Associated Fees:**

Fee Codes	Description	Fee
I	Adds or removes non-displayed liquidity	\$0.0009
L	Adds or removes displayed liquidity	\$0.0003
IS	Member executes against resting non-displayed liquidity provided by such Member	FREE
IQ <sup>1</sup>	Removes non-displayed liquidity during periods of quote instability	\$0.0009
IN	Removes non-displayed liquidity with a spread-crossing eligible order	\$0.0009
LS	Member executes against resting displayed liquidity provided by such Member	FREE
LQ <sup>1</sup>	Removes displayed liquidity during periods of quote instability	\$0.0003
LN	Removes displayed liquidity with a spread-crossing eligible order	\$0.0003
ISQ <sup>1</sup>	Member removes non-displayed liquidity provided by such Member during periods of quote instability	FREE

ISN	Member removes non-displayed liquidity provided by such Member with a spread-crossing eligible order	FREE
IQN <sup>1</sup>	Removes non-displayed liquidity during periods of quote instability with a spread-crossing eligible order	\$0.0009
LSQ <sup>1</sup>	Member removes displayed liquidity provided by such Member during periods of quote instability	FREE
LSN	Member removes [non-]displayed liquidity provided by such Member with a spread-crossing eligible order	FREE
LQN <sup>1</sup>	Removes displayed liquidity during periods of quote instability with a spread-crossing eligible order	\$0.0003
ISQN <sup>1</sup>	Member removes non-displayed liquidity provided by such Member during periods of quote instability with a spread-crossing eligible order	FREE
LSQN <sup>1</sup>	Member removes [non-]displayed liquidity provided by such Member during periods of quote instability with a spread-crossing eligible order	FREE
X	Opening Process for Non-Listed Securities ("Opening Process")	\$0.0009
XD	Displayed interest resting on the Continuous Book executes in the Opening Process	FREE
O	Opening Auction, IEX-listed security	\$0.0003
OD	Displayed interest resting on the Continuous Book executes in the Opening Auction	FREE
C	Closing Auction, IEX-listed security	\$0.0003
CD	Displayed interest resting on the Continuous Book executes in the Closing Auction	FREE
H	Halt or Volatility Auction, IEX-listed security	\$0.0003
P	IPO Auction, IEX-listed security	\$0.0003

## Footnotes

<sup>1</sup> **Crumbling Quote Remove Fee:** Executions with Fee Code Q that exceed the CQRF Threshold are subject to the Crumbling Quote Remove Fee identified in the Fee Code Modifiers table. Executions with Fee Code Q that do not exceed the CQRF Threshold are subject to the fees identified in the Fee Codes and Associated Fees table.

## <sup>2</sup> **Aggregation of activity of affiliated Members:**

- a. For purposes of applying the provisions of Rule 11.170(a), a Member may request that the Exchange aggregate its activity with activity of such Member's affiliated Members.
  1. A Member requesting aggregation of affiliate activity is required to certify to the Exchange the affiliate status of Members whose activity it seeks to aggregate prior to receiving approval for aggregation, and inform the Exchange immediately of any event that causes an entity to cease being an affiliate. The Exchange shall review available information regarding the entities and reserves the right to request additional information to verify the affiliate status of an entity. The Exchange shall approve a request unless it determines that the certification is not accurate.
  2. If two or more Members become affiliated on or prior to the sixteenth day of a month

and submit the required request for aggregation on or prior to the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of that month. If two or more Members become affiliated after the sixteenth day of a month or submit a request for aggregation after the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of the next calendar month.

- b. For purposes of applying the provisions of Rule 11.170(a), references to an IEMM shall include the Member and any of its affiliates that have been approved for aggregation.
- c. The term “affiliate” shall mean any Member under 75% common ownership or control of that Member.

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