

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 22	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2020 - * 03	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"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <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 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>		
Exhibit 2 Sent As Paper Document <input checked="" type="checkbox"/>		Exhibit 3 Sent As Paper Document <input checked="" type="checkbox"/>			
<b>Description</b> Provide a brief description of the action (limit 250 characters, required when Initial is checked *).  Proposed rule change to amend IEX Rule 2.220(a)(7) and 11.410(a) to include the Long Term Stock Exchange, Inc. ("LTSE") in the list of away trading centers to which the Exchange routes and the market data sources the Exchange will use to determine LTSE's Top of Book quotation.					
<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 * Nathaniel Last Name * Kolodny Title * Lead Regulation Counsel E-mail * nathaniel.kolodny@iextrading.com Telephone * (646) 343-2034 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 02/20/2020 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 amend IEX Rules 2.220(a)(7) and 11.410(a) to include the Long-Term Stock Exchange, Inc. (“LTSE”) in the list of away trading centers to which the Exchange routes and the market data sources the Exchange will use to determine LTSE’s Top of Book<sup>3</sup> quotation, in anticipation of LTSE’s planned launch. The Exchange has designated this rule change as “non-controversial” under Section 19(b)(3)(A) of the Act<sup>4</sup> and provided the Commission with the notice required by Rule 19b-4(f)(6) thereunder.<sup>5</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

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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> See IEX Rule 11.410(a)(1).

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A).

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

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 comments on the proposed rule change are:

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

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

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

a. Purpose

The Exchange proposes to amend IEX Rules 2.220(a)(7)<sup>6</sup> and 11.410(a)<sup>7</sup> to include the Long-Term Stock Exchange, Inc. ("LTSE") in the list of away trading centers to which the Exchange routes and the market data sources the Exchange will use to determine LTSE's Top of Book<sup>8</sup> quotation, in anticipation of LTSE's planned launch, which LTSE expects "toward the end of Q1 2020."<sup>9</sup> The Exchange is also proposing to re-alphabetize the list of away trading centers in both IEX Rules 2.220(a)(7) and 11.410(a).

Specifically, the Exchange proposes to amend IEX Rule 2.220(a)(7) to add LTSE to the list of away trading centers to which IEX Services routes orders. As set forth in IEX Rule 11.230(b)(2), IEX Services routes eligible orders to away trading centers with

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<sup>6</sup> IEX Rule 2.220(a)(7) lists the away trading centers that IEX Services LLC ("IEX Services") routes to as outbound router for the Exchange.

<sup>7</sup> IEX Rule 11.410(a) specifies the market data sources for each away trading center that the Exchange uses for necessary price reference points.

<sup>8</sup> See IEX Rule 11.410(a)(1).

<sup>9</sup> See LTSE FAQ for Exchange Launch published on January 3, 2020, available at: <https://ltse.com/static/MA-2020-001-e5bc8cb62425903526027cdeed7b14fd.pdf>.

accessible Protected Quotations in compliance with Regulation NMS Rule 611.<sup>10</sup> The Exchange must include LTSE in its list of away trading centers to which it routes, because LTSE's best-priced, displayed quotation will be a Protected Quotation under Regulation NMS Rule 600(b)(62)<sup>11</sup> for purposes of Regulation NMS Rule 611.<sup>12</sup>

The Exchange also proposes to amend and update the table in IEX Rule 11.410(a) specifying the primary sources for LTSE market data. As specified in IEX Rule 11.410(a)(2), the Exchange uses market data from each away trading center that produces a Protected Quotation<sup>13</sup> to determine each away trading center's Top of Book quotation, as well as the NBBO<sup>14</sup> for certain reporting, regulatory and compliance systems within IEX. As proposed, the Exchange will use securities information processor ("SIP") data, i.e., CQS SIP data for securities reported under the Consolidated Quotation Services and Consolidated Tape Association plans and UQDF SIP data for securities reported under the Nasdaq Unlisted Trading Privileges plan, to determine LTSE Top of Book quotes. No secondary source for LTSE market data will be specified because LTSE has announced that it will only distribute market data to the SIPs and will not have a proprietary market data feed.<sup>15</sup>

Consistent with the proposed changes to the table in IEX Rule 11.410(a), the Exchange proposes to make a conforming change to IEX Rule 11.410(a)(2) to reflect that, as proposed, the Exchange will use SIP data as the primary source from which it will

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<sup>10</sup> 17 CFR 242.611.

<sup>11</sup> 17 CFR 242.600(b)(62).

<sup>12</sup> See Securities Exchange Act Release No. 85828 (May 10, 2019), 84 FR 21841, 21849 (May 15, 2019) (File No. 10-234) (Order approving LTSE application for registration as a national securities exchange).

<sup>13</sup> See IEX Rule 1.160(bb).

<sup>14</sup> See IEX Rule 1.160(u).

<sup>15</sup> See supra note 9 at 2.

determine Top of Book quotations for LTSE and for certain reporting, regulatory and compliance systems within IEX.<sup>16</sup> While the Exchange uses proprietary market data feeds to determine the Protected Quotations of all but two of the other away markets,<sup>17</sup> it will utilize the SIP quote feeds to determine LTSE's Protected Quotations because LTSE will only distribute market data to the SIP and will not have a proprietary market data feed.<sup>18</sup>

Furthermore, the Exchange is proposing to make nonsubstantive changes to the list of away trading centers in IEX Rule 2.220(a)(7) and the table of away trading centers in IEX Rule 11.410(a) to list each away trading center in alphabetical order.

The Exchange is not proposing any other changes to IEX Rules 2.220(a)(7) and 11.410. The proposed changes do not alter the manner in which orders are handled or routed by the Exchange.

b. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b)<sup>19</sup> of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>20</sup> 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.

For the reasons discussed in the Purpose section, the Exchange believes that the

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<sup>16</sup> See IEX Rule 11.410(a)(2).

<sup>17</sup> The Exchange also uses CQS/UQDF SIP data as the exclusive source of market data for NYSE Chicago (XCHI) and NYSE National (XCIS). See IEX Rule 11.410(a).

<sup>18</sup> See supra note 9 at 2.

<sup>19</sup> 15 U.S.C. 78f.

<sup>20</sup> 15 U.S.C. 78f(b)(5).

proposed rule change removes impediments to and perfects the mechanism of a free and open market and protects investors and the public interest because including LTSE in the list of away trading centers to which IEX routes and in the sources of market data the Exchange will use to determine away trading center Top of Book quotes will facilitate the Exchange's compliance with the applicable requirements of Regulation NMS. Similarly, the Exchange believes it is consistent with the Act to specify in Rule 11.410(a)(2) that the Exchange will use SIP data to calculate LTSE's Top of Book quotation and for certain reporting, regulatory and compliance systems within the Exchange, because it will facilitate compliance with the applicable requirements of Regulation NMS and provide clarity in this regard to market participants.

Additionally, adding LTSE to the list of away trading centers to which IEX routes and in the sources of market data the Exchange will use to determine away trading center Top of Book quotes provides transparency with respect to the away trading centers to which IEX Services may route orders and the sources of market data the Exchange will use to determine LTSE Top of Book quotes. In addition, and as further noted in the Purpose section, LTSE will only disseminate its market data through the SIP, so use of SIP data to determine LTSE's Top of Book quotes is the only means to do so.

Further, the Exchange believes it is consistent with the Act to update the referenced rules to list all the away trading centers in alphabetical order, to enhance clarity to market participants.

As noted in the Purpose section, the proposed changes are nonsubstantive and do not alter the manner in which orders are handled or routed by the Exchange.

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. The Exchange believes that the proposed update does not impact competition in any respect since its purpose is to enhance transparency with respect to the operation of the Exchange and its use of market data feeds, and to update an away market name.

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 has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>21</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>22</sup> The Exchange asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, and (3) will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate. 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.<sup>23</sup>

The Exchange believes that the proposed rule change meets the criteria of

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<sup>21</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>22</sup> 17 CFR 240.19b-4.

<sup>23</sup> 17 CFR 240.19b-4(f)(6)(iii).



subparagraph (f)(6) of Rule 19b-4<sup>24</sup> because it would not significantly affect the protection of investors or the public interest. Rather, the proposed rule change neither significantly affects the protection of investors or the public interest, nor does it impose any burden on competition in that the purpose of the rule change is merely to amend IEX Rules 2.220(a)(7) and 11.410(a) to reflect the away trading centers to which IEX routes orders and the sources of data that the Exchange will utilize for determining LTSE Top of Book quotes, and to make conforming edits to both rules so all away trading centers are listed in alphabetical order and with their correct names. Accordingly, the Exchange believes that the proposed rule change is noncontroversial and satisfies the requirements of Rule 19b-4(f)(6).<sup>25</sup>

Furthermore, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.<sup>26</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 will merely amend IEX rules to reflect the launch of LTSE as an away trading center with a Protected Quote and specify that IEX will route orders to LTSE and use the SIP to determine LTSE's Top of Book quotation. Additionally, the proposed rule change will make a nonsubstantive change to re-alphabetize the list of away trading centers in IEX Rule 2.220(a)(7) to enhance clarity to

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<sup>24</sup> 17 CFR 240.19b-4(f)(6).

<sup>25</sup> 17 CFR 240.19b-4(f)(6).

<sup>26</sup> 17 CFR 240.19b-4(f)(6)(iii).

market participants. The Exchange believes that waiver of the operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange to implement the proposed rule change concurrent with LTSE's exchange launch, thereby facilitating IEX's compliance with the applicable requirements of Regulation NMS and providing clarity to market participants with respect to whether IEX routes to LTSE and how IEX determines LTSE's Top of Book quotation.

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34 -     ); File No. SR-IEX-2020-03)

Self-Regulatory Organizations: Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend IEX Rules 2.220(a)(7) and 11.410(a) to Include the Long-Term Stock Exchange, Inc. (“LTSE”) in the List of Away Trading Centers to which the Exchange Routes and the Market Data Sources the Exchange will Use to Determine LTSE’s Top of Book<sup>1</sup> Quotation.

Pursuant to Section 19(b)(1)<sup>2</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>3</sup> and Rule 19b-4 thereunder,<sup>4</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>5</sup> and Rule 19b-4 thereunder,<sup>6</sup> the Exchange is filing with the Commission a proposed rule change to amend IEX Rules 2.220(a)(7) and 11.410(a) to include the Long-Term Stock Exchange, Inc. (“LTSE”) in the list of away trading centers to which the Exchange routes and the market data sources the Exchange will use to

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<sup>1</sup> See IEX Rule 11.410(a)(1).

<sup>2</sup> 15 U.S.C. 78s(b)(1).

<sup>3</sup> 15 U.S.C. 78a.

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

<sup>5</sup> 15 U.S.C. 78s(b)(1).

<sup>6</sup> 17 CFR 240.19b-4.

determine LTSE's Top of Book<sup>7</sup> quotation, in anticipation of LTSE's planned launch.

The Exchange has designated this rule change as "non-controversial" under Section 19(b)(3)(A) of the Act<sup>8</sup> and provided the Commission with the notice required by Rule 19b-4(f)(6) thereunder.<sup>9</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 amend IEX Rules 2.220(a)(7)<sup>10</sup> and 11.410(a)<sup>11</sup> to include the Long-Term Stock Exchange, Inc. ("LTSE") in the list of away trading centers to which the Exchange routes and the market data sources the Exchange will use to

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<sup>7</sup> See IEX Rule 11.410(a)(1).

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4.

<sup>10</sup> IEX Rule 2.220(a)(7) lists the away trading centers that IEX Services LLC ("IEX Services") routes to as outbound router for the Exchange.

<sup>11</sup> IEX Rule 11.410(a) specifies the market data sources for each away trading center that the Exchange uses for necessary price reference points.

determine LTSE's Top of Book<sup>12</sup> quotation, in anticipation of LTSE's planned launch, which LTSE expects "toward the end of Q1 2020."<sup>13</sup> The Exchange is also proposing to re-alphabetize the list of away trading centers in both IEX Rules 2.220(a)(7) and 11.410(a).

Specifically, the Exchange proposes to amend IEX Rule 2.220(a)(7) to add LTSE to the list of away trading centers to which IEX Services routes orders. As set forth in IEX Rule 11.230(b)(2), IEX Services routes eligible orders to away trading centers with accessible Protected Quotations in compliance with Regulation NMS Rule 611.<sup>14</sup> The Exchange must include LTSE in its list of away trading centers to which it routes, because LTSE's best-priced, displayed quotation will be a Protected Quotation under Regulation NMS Rule 600(b)(62)<sup>15</sup> for purposes of Regulation NMS Rule 611.<sup>16</sup>

The Exchange also proposes to amend and update the table in IEX Rule 11.410(a) specifying the primary sources for LTSE market data. As specified in IEX Rule 11.410(a)(2), the Exchange uses market data from each away trading center that produces a Protected Quotation<sup>17</sup> to determine each away trading center's Top of Book quotation, as well as the NBBO<sup>18</sup> for certain reporting, regulatory and compliance systems within IEX. As proposed, the Exchange will use securities information processor ("SIP") data, i.e., CQS SIP data for securities reported under the Consolidated Quotation Services and

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<sup>12</sup> See IEX Rule 11.410(a)(1).

<sup>13</sup> See LTSE FAQ for Exchange Launch published on January 3, 2020, available at: <https://ltse.com/static/MA-2020-001-e5bc8cb62425903526027cdeed7b14fd.pdf>.

<sup>14</sup> 17 CFR 242.611.

<sup>15</sup> 17 CFR 242.600(b)(62).

<sup>16</sup> See Securities Exchange Act Release No. 85828 (May 10, 2019), 84 FR 21841, 21849 (May 15, 2019) (File No. 10-234) (Order approving LTSE application for registration as a national securities exchange).

<sup>17</sup> See IEX Rule 1.160(bb).

<sup>18</sup> See IEX Rule 1.160(u).

Consolidated Tape Association plans and UQDF SIP data for securities reported under the Nasdaq Unlisted Trading Privileges plan, to determine LTSE Top of Book quotes. No secondary source for LTSE market data will be specified because LTSE has announced that it will only distribute market data to the SIPs and will not have a proprietary market data feed.<sup>19</sup>

Consistent with the proposed changes to the table in IEX Rule 11.410(a), the Exchange proposes to make a conforming change to IEX Rule 11.410(a)(2) to reflect that, as proposed, the Exchange will use SIP data as the primary source from which it will determine Top of Book quotations for LTSE and for certain reporting, regulatory and compliance systems within IEX.<sup>20</sup> While the Exchange uses proprietary market data feeds to determine the Protected Quotations of all but two of the other away markets,<sup>21</sup> it will utilize the SIP quote feeds to determine LTSE's Protected Quotations because LTSE will only distribute market data to the SIP and will not have a proprietary market data feed.<sup>22</sup>

Furthermore, the Exchange is proposing to make nonsubstantive changes to the list of away trading centers in IEX Rule 2.220(a)(7) and the table of away trading centers in IEX Rule 11.410(a) to list each away trading center in alphabetical order.

The Exchange is not proposing any other changes to IEX Rules 2.220(a)(7) and 11.410. The proposed changes do not alter the manner in which orders are handled or routed by the Exchange.

## 2. Statutory Basis

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<sup>19</sup> See supra note 13 at 2.

<sup>20</sup> See IEX Rule 11.410(a)(2).

<sup>21</sup> The Exchange also uses CQS/UQDF SIP data as the exclusive source of market data for NYSE Chicago (XCHI) and NYSE National (XCIS). See IEX Rule 11.410(a).

<sup>22</sup> See supra note 13 at 2.

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b)<sup>23</sup> of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>24</sup> 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.

For the reasons discussed in the Purpose section, the Exchange believes that the proposed rule change removes impediments to and perfects the mechanism of a free and open market and protects investors and the public interest because including LTSE in the list of away trading centers to which IEX routes and in the sources of market data the Exchange will use to determine away trading center Top of Book quotes will facilitate the Exchange's compliance with the applicable requirements of Regulation NMS. Similarly, the Exchange believes it is consistent with the Act to specify in Rule 11.410(a)(2) that the Exchange will use SIP data to calculate LTSE's Top of Book quotation and for certain reporting, regulatory and compliance systems within the Exchange, because it will facilitate compliance with the applicable requirements of Regulation NMS and provide clarity in this regard to market participants.

Additionally, adding LTSE to the list of away trading centers to which IEX routes and in the sources of market data the Exchange will use to determine away trading center Top of Book quotes provides transparency with respect to the away trading centers to which IEX Services may route orders and the sources of market data the Exchange will use to determine LTSE Top of Book quotes. In addition, and as further noted in the

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<sup>23</sup> 15 U.S.C. 78f.

<sup>24</sup> 15 U.S.C. 78f(b)(5).

Purpose section, LTSE will only disseminate its market data through the SIP, so use of SIP data to determine LTSE's Top of Book quotes is the only means to do so.

Further, the Exchange believes it is consistent with the Act to update the referenced rules to list all the away trading centers in alphabetical order, to enhance clarity to market participants.

As noted in the Purpose section, the proposed changes are nonsubstantive and do not alter the manner in which orders are handled or routed by the Exchange.

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. The Exchange believes that the proposed update does not impact competition in any respect since its purpose is to enhance transparency with respect to the operation of the Exchange and its use of market data feeds, and to update an away market name.

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>25</sup> of the Act and Rule 19b-4(f)(6)<sup>26</sup> thereunder. Because the proposed rule 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

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<sup>25</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>26</sup> 17 CFR 240.19b-4(f)(6).



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>27</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>28</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 will merely amend IEX rules to reflect the launch of LTSE as an away trading center with a Protected Quote and specify that IEX will route orders to LTSE and use the SIP to determine LTSE's Top of Book quotation. Additionally, the proposed rule change will make a nonsubstantive change to re-alphabetize the list of away trading centers in IEX Rule 2.220(a)(7) to enhance clarity to market participants. The Exchange believes that waiver of the operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange to implement the proposed rule change concurrent with LTSE's exchange launch, thereby facilitating IEX's compliance with the applicable requirements of Regulation NMS and providing clarity to market participants with respect to whether IEX routes to LTSE and how IEX determines LTSE's Top of Book quotation.

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<sup>27</sup> 17 CFR 240.19b-4(f)(6).

<sup>28</sup> 17 CFR 240.19b-4(f)(6)(iii).

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>29</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-2020-03 on the subject line.

##### Paper Comments:

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

All submissions should refer to File Number SR-IEX-2020-03. 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

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<sup>29</sup> 15 U.S.C. 78s(b)(2)(B).

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-2020-03 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>30</sup>

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<sup>30</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 2.220. IEX Services LLC as Outbound router

(a) All outbound routing by the System shall be performed by the Exchange's affiliated broker-dealer, IEX Services LLC ("IEX Services"), which, in turn, shall route orders directly to other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks, or other brokers or dealers (collectively, "away trading centers") as directed by the Exchange. The Exchange will determine the logic that provides when, how, and where orders are routed ("System routing logic") and IEX Services will receive routing instructions from the Exchange, to route orders to away trading centers and report such executions back to the Exchange ("System routing instructions"). For so long as IEX Services is affiliated with the Exchange and is providing outbound routing of orders from the Exchange to away trading centers (such function of IEX Services is referred to as the "Outbound Router"), each of the Exchange and IEX Services shall undertake as follows:

(1) – (6) No change.

(7) IEX Services currently routes to the following away trading centers:

[Cboe BZX Exchange	(BATS)]
Cboe BYX Exchange	(BATY)
<u>Cboe BZX Exchange</u>	<u>(BATS)</u>
[NYSE Chicago	(XCHI)]
Cboe EDGA Exchange	(EDGA)
Cboe EDGX Exchange	(EDGX)
<u>Long-Term Stock Exchange</u>	<u>(LTSE)</u>
[NASDAQ Stock Exchange	(XNGS)]
NASDAQ BX	(XBOS)
NASDAQ PSX	(XPHL)
<u>NASDAQ Stock Exchange</u>	<u>(XNGS)</u>
[NYSE National	(XCIS)]

New York Stock Exchange	(XNYS)
[NYSE Arca	(ARCX)]
NYSE American	(XASE)
<u>NYSE Arca</u>	<u>(ARCX)</u>
<u>NYSE Chicago</u>	<u>(XCHI)</u>
<u>NYSE National</u>	<u>(XCIS)</u>

(8) No change.

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Rule 11.410. Use of Market Data Feeds and Calculations of Necessary Price Reference Points

(a) Market Data Sources

Away Trading Center	Primary Source Quotes	Secondary Source Quotes	Source Trades & Admin
[Cboe BZX Exchange (BATS)	Direct Feed	CQS/UQDF	CTS/UTDF]
Cboe BYX Exchange (BATY)	Direct Feed	CQS/UQDF	CTS/UTDF
<u>Cboe BZX Exchange (BATS)</u>	<u>Direct Feed</u>	<u>CQS/UQDF</u>	<u>CTS/UTDF</u>
[NYSE Chicago (XCHI)	CQS/UQDF	n/a	CTS/UTDF]
Cboe EDGA Exchange (EDGA)	Direct Feed	CQS/UQDF	CTS/UTDF
Cboe EDGX Exchange (EDGX)	Direct Feed	CQS/UQDF	CTS/UTDF
<u>Long-Term Stock Exchange</u>	<u>CQS/UQDF</u>	<u>n/a</u>	<u>CTS/UTDF</u>
NASDAQ BX (XBOS)	Direct Feed	CQS/UQDF	CTS/UTDF
NASDAQ PSX (XPHL)	Direct Feed	CQS/UQDF	CTS/UTDF
NASDAQ Stock Market (XNGS)	Direct Feed	CQS/UQDF	CTS/UTDF

[NYSE National (XCIS)]	CQS/UQDF	n/a	CTS/UTDF]
New York Stock Exchange (XNYS)	Direct Feed	CQS/UQDF	CTS/UTDF
<u>NYSE American (XASE)</u>	<u>Direct Feed</u>	<u>CQS/UQDF</u>	<u>CTS/UTDF</u>
NYSE ARCA (ARCX)	Direct Feed	CQS/UQDF	CTS/UTDF
<u>NYSE Chicago (XCHI)</u>	<u>CQS/UQDF</u>	<u>n/a</u>	<u>CTS/UTDF</u>
<u>NYSE National (XCIS)</u>	<u>CQS/UQDF</u>	<u>n/a</u>	<u>CTS/UTDF</u>
[NYSE American (XASE)]	Direct Feed	CQS/UQDF	CTS/UTDF]

- (1) No change.
- (2) Proprietary Market Data Feeds. The Exchange utilizes the following data feeds for each of the away trading centers that produce Protected Quotations. The Exchange will maintain connectivity and access, pursuant to IEX Rule 11.510, to each away trading center for the receipt of such away trading center's proprietary market data feeds. Proprietary market data feeds are the primary source from which the System determines the Top of Book quotation for each away trading center, except for LTSE, XCHI and XCIS for which applicable Securities Information Processor ("SIP") market data is used. Proprietary market data feeds are also the primary source of NBBO, except for LTSE, XCHI and XCIS for which the applicable SIP market data is used, for certain reporting, regulatory and compliance systems within IEX. In the event of and during any issue or condition preventing the reliable use of proprietary market data feeds to determine Top of Book for an away trading center, the System may switch to the Top of Book quotation for that away trading center, for one or more of its covered securities, as disseminated by the applicable SIP.
- (A) No change.
- (3) – (4) No change.
- (b) – (d) No change.

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