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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81662; File No. SR-IEX-2017-31]

Self-Regulatory Organizations: Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Clarify the Manner in Which the Order Collar and Router Constraint Apply to Auctions and the Opening Process

September 20, 2017.

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 September 6, 2017, 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 and II 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 clarify the inapplicability of the Exchange’s Order Collar<sup>6</sup> and Router Constraint<sup>7</sup> to certain orders that are eligible for participation in the opening process for non-IEX-listed securities pursuant to Rule 11.231, or for auctions in IEX-

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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.

<sup>6</sup> See Rule 11.190(f)(1).

<sup>7</sup> See Rule 11.190(f)(2).

listed securities pursuant to Rule 11.350. 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

Background

The purpose of this proposed rule change is to clarify the inapplicability of the Exchange’s Order Collar and Router Constraint to certain orders that are eligible for participation in the opening process for non-IEX-listed securities pursuant to Rule 11.231, or for auctions in IEX-listed securities pursuant to Rule 11.350. On July 24<sup>th</sup> 2017, the Commission approved a proposed rule change filed by the Exchange to amend IEX Rule 11.231 to modify the manner in which the Exchange opens trading for non-IEX-listed securities beginning at the start

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

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

of Regular Market Hours (the “Opening Process”).<sup>10</sup> On August 4, 2017, the Commission approved a proposed rule change filed by the Exchange to adopt rules governing auctions in IEX-listed securities, provide for the dissemination of auction related market data, and establish rules relating to trading halts and pauses (“IEX Auctions”).<sup>11</sup>

#### Opening Process for Non-IEX-Listed Securities

Pursuant to Rule 11.231, the Exchange attempts to perform the Opening Process in each non-IEX-listed security, in which all eligible interest resting on the Order Book in the Pre-Market Session available for continuous trading (i.e., orders on the “Continuous Book”) as well as all eligible interest queued for execution in the Regular Market Session (i.e., orders on the “Cross Book”) are executed at a single price. Prior to the beginning of Regular Market Hours, Users who wish to participate in the Opening Process may enter limit, market, and pegged orders designated with a time-in-force of DAY and limit orders designated with a time-in-force of GTX, which shall queue in the System and are eligible for execution in the Opening Process (orders on the Cross Book); interest resting on the Order Book in the Pre-Market Session available for continuous trading (i.e., orders on the Continuous Book) are also eligible for execution in the Opening Process (collectively, “Cross Eligible Orders”).

Cross Eligible Orders resting on the Continuous Book are ranked by the price at which they are resting on the Continuous Book and Cross Eligible Orders resting on the Cross Book are ranked by the limit price defined by the User, if any, except in the case of pegged orders, which are ranked by their current book price (in each case, the order’s “resting price”). Specifically, pursuant to Rule 11.220(a)(2), Cross Eligible Orders are ranked and eligible for execution in the

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<sup>10</sup> See Securities Exchange Act Release No. 81195 (July 24, 2017), 82 FR 35250 (July 28, 2017).

<sup>11</sup> See Securities Exchange Act Release No. 81316 (August 4, 2017), 82 FR 37474 (August 10, 2017).

Opening Process in price-display-time priority as follows:

- Midpoint peg orders, as defined in IEX Rule 11.190(b)(9), on the Cross Book are ranked and eligible for execution in the Opening Process at the less aggressive of the Midpoint Price or the order's limit price, if any.
- Primary peg orders, as defined in IEX Rule 11.190(b)(8), on the Cross Book are ranked and eligible for execution in the Opening Process at the less aggressive of one (1) MPV below (above) the NBB (NBO) for buy (sell) orders or the order's limit price, if any, but may exercise price discretion up (down) to the Opening Match Price, subject to the less aggressive of the NBB (NBO) or the order's limit price, if any, except during periods of quote instability, as defined in IEX Rule 11.190(g). When exercising price discretion, primary peg orders are ranked behind any non-displayed interest at the Opening Match Price<sup>12</sup> for the duration of the Opening Process. If multiple primary peg orders are exercising price discretion during the Opening Process, they maintain their relative time priority at the Opening Match Price.
- Discretionary Peg orders, as defined in IEX Rule 11.190(b)(10), on the Cross Book are ranked and eligible for execution in the Opening Process at the less aggressive of the NBB (NBO) for buy (sell) orders or the order's limit price, if any, but may exercise price discretion up (down) to the Opening Match Price, subject to the less aggressive of the Midpoint Price or the order's limit price, if any, except during periods of quote instability, as defined in IEX Rule 11.190(g). When exercising price discretion, Discretionary Peg orders are ranked behind any non-displayed interest at the Opening Match Price for the duration of the Opening Process. If multiple Discretionary Peg orders are exercising price discretion during the Opening Process, they maintain their relative time priority at the Opening Match Price.
- Limit orders on the Cross Book are ranked and eligible for execution in the Opening Process at their limit price.
- Non-displayed limit orders and non-displayed portions of reserve orders on the Continuous Book are ranked and eligible for execution in the Opening Process at the less aggressive of the Midpoint Price or the order's limit price.
- Displayed limit orders on the Continuous Book are ranked and eligible for execution in the Opening Process at their resting price.

#### IEX Auctions for IEX-Listed Securities

Pursuant to Rule 11.350, once IEX begins a listing program, IEX Auctions will enable Members to participate in electronic price discovery mechanisms that match all eligible orders

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<sup>12</sup> See IEX Rule 11.231(b)(1).

resting on the Order Book that are eligible for continuous trading (i.e., orders on the “Continuous Book”), as well as all eligible orders queued for execution in the applicable auction (i.e., orders on the “Auction Book”) in each IEX-listed security at a single price using a double auction process. Members who wish to participate in an IEX Auction can send Auction Eligible Orders (i.e., orders on Continuous Book or Auction Book that are not Auction Ineligible Orders<sup>13</sup>) prior to the auction. The IEX Auction process is designed to efficiently maximize the number of shares executed at a single price during the auctions. IEX Auctions will apply to all IEX-listed securities at the open (“Opening Auction”) and close (“Closing Auction”) of the Regular Market Session, for the start of trading for an IPO or launch of a new issue (“IPO Auction”), and upon the resumption of trading in a security following a trading halt (“Halt Auction”) or a trading pause pursuant to the LULD Plan (“Volatility Auction”).<sup>14</sup>

Auction Eligible Orders resting on the Continuous Book are ranked by the price at which they are resting on the Continuous Book; Auction Eligible Orders resting on the Auction Book are ranked by the limit price defined by the User, if any, (in each case, the order’s “resting price”). Specifically, pursuant to Rule 11.350(b)(1)(A)(i), Auction Eligible Orders are ranked and eligible for execution in IEX Auctions in price-display-time priority as follows:

- Midpoint peg orders are ranked and eligible for execution in the Closing Auction at the less aggressive of the Midpoint Price or the order’s limit price, if any.
- Primary peg orders are ranked and eligible for execution in the Closing Auction at the less aggressive of one (1) MPV below (above) the NBB (NBO) for buy (sell) orders or the order’s limit price, if any, but may exercise price discretion up (down) to the auction match price, subject to the less aggressive of the NBB (NBO) or the order’s limit price, if any, except during periods of quote instability, as defined in IEX Rule 11.190(g). When exercising price discretion, primary peg orders are ranked behind any non-displayed interest at the auction match price for the duration of the Closing Auction. If multiple

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<sup>13</sup> See Rule 11.350(a)(3).

<sup>14</sup> See Rule 11.280(e)(1)(A) and Supplementary Material .01(c) to Rule 14.207.

primary peg orders are exercising price discretion during the Closing Auction, they maintain their relative time priority at the auction match price.

- Discretionary Peg orders are ranked and eligible for execution in the Closing Auction at the less aggressive of the NBB (NBO) for buy (sell) orders or the order's limit price, if any, but may exercise price discretion up (down) to the auction match price, subject to the less aggressive of the Midpoint Price or the order's limit price, if any, except during periods of quote instability, as defined in IEX Rule 11.190(g). When exercising price discretion, Discretionary Peg orders are ranked behind any non-displayed interest at the auction match price for the duration of the Closing Auction. If multiple Discretionary Peg orders are exercising price discretion during the Closing Auction, they maintain their relative time priority at the auction match price.
- Non-displayed limit orders and non-displayed portions of reserve orders on the Continuous Book are ranked and eligible for execution in the Opening or Closing Auction at the less aggressive of the Midpoint Price or the order's limit price.
- Displayed limit orders on the Continuous Book are ranked and eligible for execution in the Opening or Closing Auction at the order's resting price.
- Limit orders, including LOO and LOC orders, on the Auction Book are ranked and eligible for execution in an auction at the order's limit price.

#### IEX Order Collar and Router Constraint

Rule 11.190(f)(1) sets forth the operation of the IEX Order Collar, which prevents any incoming order, or order resting on the Order Book including those marked ISO, from executing at prices outside of the Order Collar price range. Similarly, Rule 11.190(f)(2) sets forth the operation of the IEX Router Constraint, which prevents an order from routing at prices more aggressive than the Router Constraint price range. The Order Collar and Router Constraint price ranges are calculated by applying the numerical guidelines for clearly erroneous executions to the Order Collar Reference Price and Router Constraint Reference Price, respectively.<sup>15</sup> The Order Collar Reference Price and Router Constraint Reference Price are each defined as the most current of the following:

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<sup>15</sup> The upper (lower) Order Collar price range and the upper (lower) Router Constraint Price range are calculated by adding (subtracting) the appropriate percentage (consistent with the numerical guidelines for clearly erroneous executions) to the Order Collar Reference Price and the Router Constraint Reference Price, respectively.

- The last sale price disseminated during the Regular Market Session on the current trade date;
- Last trade price disseminated outside of the Regular Market Session (Form T, as communicated by the relevant SIP) on trade date which other than for the Form T designation would have been considered a valid last sale price; or
- If neither of the prices above are available, the prior days Official Closing Price from the listing exchange, adjusted to account for corporate actions, news events, etc.

In the event there is no valid Order Collar Reference Price or Router Constraint Reference Price, the Exchange generally rejects orders for the security.<sup>16</sup>

### Proposed Clarifications

During development and testing of the functionality for the Opening Process and IEX Auctions, the Exchange identified a minor ambiguity between the Order Collar and Router Constraint rule provisions, and the rule provisions governing the priority of ranking and execution for orders eligible for execution in the Opening Process or IEX Auctions. Specifically, as described above, the priority of ranking and execution rule provisions for the Opening Process and for IEX Auctions contemplate that the IEX Order Collar would not apply to orders eligible for the Cross Book or the Auction Book, and that the Router Constraint functionality would not apply to orders eligible for the Cross Book or the Opening Auction Book.<sup>17</sup> As set forth above, the rules governing priority of ranking and execution for the Opening Process and IEX Auctions

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<sup>16</sup> See Rules 11.190(f)(1)-(2).

<sup>17</sup> The Exchange notes that the Router Constraint does not apply to orders on the Closing Auction Book, because such orders are comprised of On-Close orders (i.e., Limit-On-Close and Market-On-Close orders), which are only accepted if they are appropriately designated as “IEX-only”. See the IEX Auction Specification at 15, which describes valid FIX tag combinations for On-Close orders. See also Rules 11.350(a)(20) and (24). Similarly, the Router Constraint does not apply to market orders with a time-in-force of DAY that are entered during the Pre-Market Session and are eligible for the Opening Auction Book, because such orders are rejected if they are designated to route pursuant to Rule 11.230(c). See Rule 11.190(a)(2)(E)(iii). Accordingly, the proposed rule change is narrowly tailored to cover limit orders eligible for the Opening Auction Book.

specify in relevant part that orders queued on the Cross Book or the Auction Book rest at the order's limit price defined by the User (if any), and that market orders have precedence over limit orders. Accordingly, and as discussed more fully below, application of the Order Collar or Router Constraint to such orders would be inconsistent with the provisions governing their priority of ranking and execution.

The Exchange believes that the application of the Order Collar to orders eligible for the Cross Book or the Auction Book, or the Router Constraint to orders eligible for the Cross Book or the Opening Auction Book, would be inconsistent with the existing provisions governing their priority of ranking and execution, because a collared or constrained limit order could rest at a less aggressive price than its user-defined limit price, and a collared or constrained market order would, by definition, have a limit applied by the System (which is inconsistent with the user-instructed terms if the order), and could cede priority. For example, if the Order Collar were to apply, a market order to buy (sell) entered for the Opening Process or for an IEX Auction would effectively be converted into a limit order with a limit price equal to the upper (lower) Order Collar price range. Moreover, a limit order to buy (sell) with a limit price more aggressive than the upper (lower) Order Collar price range would be entered onto the Cross Book or the Auction Book with a limit price equal to the upper (lower) Order Collar price range, which is a less aggressive price than the orders' user-defined limit price. Similarly, if the Router Constraint were to apply to routable orders that are eligible for the Cross Book or the Opening Auction Book, a routable limit order to buy (sell) with a limit price more aggressive than the upper (lower) Router Constraint price range would be entered onto the Cross Book or the Opening Auction Book, respectively, with a limit price equal to the upper (lower) Router Constraint price range, which is a less aggressive price than the user-defined limit price on such orders. Lastly, in

addition to the inconsistencies that arise from applying the Router Constraint as described above, its application to a buy (sell) order entered onto the Opening Auction Book early in the Pre-Market Session based on the price of the current last trade could unnecessarily constrain the order from participating in the auction and impact the price discovery process if the market for the security has moved up (down) by the time of the Opening Auction.

In addition to the foregoing, the Exchange believes that applying the Order Collar or Router Constraint to orders entered for a Halt or Volatility Auction could disrupt the price discovery process, and would be inconsistent with the protection of investors and the public interest.<sup>18</sup> Applying the Order Collar or Router Constraint to orders entered for a Halt Auction or Volatility Auction would require using the price of the last trade immediately before the halt or pause as the Order Collar Reference Price and Router Constraint Reference Price, respectively. In the event of a trading halt, the market is in the process of reestablishing the value of a security, and therefore calculating the Order Collar price range and Router Constraint price range using a last sale reference price that may not reflect adjustments in valuation resulting from additional information regarding the security during the halt could result in auction pricing that is not reflective of the current value of the security. Similarly, in the event of a trading pause, the security has just experienced sharp price volatility and the market is in the process of reestablishing the value of a security, and therefore calculating the Order Collar price range and the Router Constraint price range using a reference price that may not reflect adjustments in valuation during the pause could potentially result in auction pricing that is not reflective of the current value of the security. Accordingly, the Exchange is proposing to also clarify that in the

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<sup>18</sup> The Exchange notes that securities that are the subject of an IPO Auction pursuant to Rule 11.350(e) will be subject to a trading halt pursuant to Rule 11.280(g)(7), and would therefore not have a valid Router Constraint Reference Price pursuant Rule 11.190(f)(2)(A).

event a security is subject to a trading halt or trading pause, the Router Constraint Reference Price is invalid. Pursuant to Rule 11.190(f)(2)(B), in the absence of a valid Router Constraint Reference Price, the Exchange will reject any routable orders for the security.

In sum, consistent with the foregoing, the Exchange is proposing to:

- Clarify in Rule 11.190(f)(1) that the Order Collar does not apply to orders that are eligible for the Cross Book pursuant to Rule 11.231 during the Opening Process for non-IEX-listed securities or the Auction Book pursuant to Rule 11.350(a)(1) during the auction process for IEX-listed securities;
- Clarify in Rule 11.190(f)(2) that the Router Constraint does not apply to orders that are eligible for the Cross Book pursuant to Rule 11.231 during the Opening Process for non-IEX-listed securities or the Auction Book pursuant to Rule 11.350(a)(1)(A)(ii) during the auction process for IEX-listed securities; and
- Clarify in Rule 11.190(f)(2)(A) that the Router Constraint Reference Price during a trading halt or pause is invalid.

Lastly, as recently announced by IEX Trading Alert #2017-027, on August 23, 2017 the Exchange began a multi-phase deployment of the Opening Process for non-IEX-listed securities.<sup>19</sup> The production deployment is scheduled to be completed on August 30, 2017. Moreover, as announced by IEX Trading Alert #2017-015, the Exchange intends to become a primary listing exchange and support its first IEX-listed security in October of 2017.<sup>20</sup> In addition, as part of the listings initiative, the Exchange is providing a series of industry wide weekend tests for the Exchange and its Members to exercise the various technology changes required to support IEX Auctions and listings functionality.<sup>21</sup> Accordingly, in order to provide clarity to Members and other market participants regarding the Opening Process and IEX

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<sup>19</sup> See IEX Trading Alert #2017-027 (Deployment Schedule for New Opening Process for Non-IEX-Listed Securities), August 3, 2017.

<sup>20</sup> See IEX Trading Alert #2017-015 (Listings Specifications, Testing Opportunities, and Timelines), May 31, 2017.

<sup>21</sup> See IEX Trading Alert #2017-028 (First Listings Functionality Industry Test on Saturday, August 26), August 17, 2017.

Auctions, and specifically to avoid potential confusion regarding the inapplicability of the IEX Order Collar and Router Constraint to their operation, the Exchange is proposing to make the clarifying changes to Rule 11.190(f)(1) and (2) described above.

## 2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b)<sup>22</sup> of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>23</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.

The Exchange believes that the proposed rule clarifications do not alter the substantive functionality of the Opening Process or IEX Auctions, but instead clarify the applicability of the IEX Order Collar and Router Constraint so as to be consistent with the existing rules approved by the Commission. The Exchange further believes that the proposed clarifying rule change is consistent with the protection of investors and the public interest because the proposed clarifications are designed to avoid any potential confusion regarding the Opening Process and IEX Auction functionality as IEX completes the production deployment of the Opening Process for non-IEX-listed securities, and begins industry wide testing to exercise the technology changes being made by the Exchange and its Members, and make the Exchanges rules more clear and complete. Additionally, the Exchange believes it is consistent with the Act to clarify the rule provisions regarding the Opening Process and IEX Auctions so that IEX's rules are accurate and descriptive of the System's functionality as approved by the Commission, and to

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<sup>22</sup> 15 U.S.C. 78f.

<sup>23</sup> 15 U.S.C. 78f(b)(5).

avoid any potential confusion among Members and market participants regarding such functionality. Lastly, the Exchange believes that it is consistent with the Act to provide that the Router Constraint Reference Price is invalid in the event a security is subject to a trading halt or trading pause, and thus routable orders in such security will be rejected, to further clarify the inapplicability of the Router Constraint to such orders. As discussed in the Purpose section, when a security is subject to a trading halt or trading pause, the Router Constraint Reference Price may not reflect adjustments in valuation and therefore could result in auction pricing that is not reflective of the current value of the security.

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 correction does not impact competition in any respect since it is designed to clarify the inapplicability of the IEX Order Collar and Router Constraint to orders eligible for execution in the Opening Process for non-IEX-listed securities and in IEX Auctions for IEX-listed securities, without substantively changing the Rules as separately approved. In addition, the Exchange does not believe that clarifying that the Router Constraint Reference Price is invalid in the event a security is subject to a trading halt or trading pause will impose any burden on competition, since this proposed change is designed to further clarify the inapplicability of the Router Constraint to such orders. The proposed changes will apply equally to all Members and therefore no new burdens are being proposed.

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>24</sup> of the Act and Rule 19b-4(f)(6)<sup>25</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 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>26</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>27</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 filed the proposed rule change for immediate effectiveness and has requested that the Commission waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing, so that it may become operative on the date the filing was received.

The purpose of the proposed rule change is to state clearly in IEX Rule 11.190 the inapplicability of the IEX Order Collar and Router Constraint to orders eligible for execution in the Opening Process for non-IEX-listed securities and in IEX Auctions for IEX-listed securities. Additionally, the proposed rule change clearly states in IEX Rule 11.190 that the IEX Router Constraint is inapplicable when a security is subject to a trading halt or trading pause and such orders will be rejected. These clarifications resolve potential ambiguity and ensure consistency

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<sup>24</sup> 15 U.S.C. 78s(b)(3)(A).

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

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

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

between IEX Rule 11.190 and the opening auction rules previously approved by the Commission. Further, the proposed rule change does not raise any novel issues. The waiver of the operative delay is, therefore, consistent with the protection of investors and the public interest because it will help to avoid potential confusion among market participants regarding the inapplicability of the IEX Order Collar and Router Constraint to orders eligible for the Cross Book for non-IEX-listed securities and the Auction Book for IEX-listed securities. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposed rule change to be operative upon filing.<sup>28</sup>

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

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<sup>28</sup> For purposes only of waiving the operative delay for this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-IEX-2017-31 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-IEX-2017-31. 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 20549-1090. 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File

Number SR-IEX-2017-31 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>

Eduardo A. Aleman,  
Assistant Secretary.

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<sup>30</sup> 17 CFR 200.30-3(a)(12).

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