SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-83048; File No. SR-IEX-2018-07)

April 13, 2018

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 11.190(g) to Incrementally Optimize and Enhance the Effectiveness of the Quote Instability Calculation in Determining Whether a Crumbling Quote Exists

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")[1], and Rule 19b-4 thereunder,[2] notice is hereby given that on April 3, 2018, 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 Act,[3] and Rule 19b-4 thereunder,[4] IEX is filing with the Commission a proposed rule change to amend Rule 11.190(g) to incrementally optimize and enhance the effectiveness of the quote instability calculation in determining whether a crumbling quote exists. The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.[5]

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 15 U.S.C. 78s(b)(1).

4 17 CFR 240.19b-4.

5 17 CFR 240.19b-4(f)(6)(iii).

The text of the proposed rule change is available at the Exchange's website at 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 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 [sic] 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

Overview

The purpose of the proposed rule change is to amend Rule 11.190(g) to incrementally optimize and enhance the effectiveness of the quote instability calculation in determining whether a crumbling quote exists. The Exchange utilizes real time relative quoting activity of certain Protected Quotations[6] and a proprietary mathematical calculation (the "quote instability calculation") to assess the probability of an imminent change to the current Protected NBB to a lower price or Protected NBO to a higher price for a particular security ("quote instability factor"). When the quoting activity meets predefined criteria and the quote instability factor calculated is greater than the Exchange's defined quote instability threshold, the System treats

6 Pursuant to Rule 11.190(g), the Protected Quotations of the New York Stock Exchange, Nasdaq Stock Market, NYSE Arca, Nasdaq BX, Bats BZX Exchange, Bats BYX Exchange, Bats EDGX Exchange, and Bats EDGA Exchange.

the quote as unstable and the crumbling quote indicator ("CQI") is on at that price level for two milliseconds. During all other times, the quote is considered stable, and the CQI is off. The System independently assesses the stability of the Protected NBB and Protected NBO for each security.

When CQI is on, Discretionary Peg orders[7] and primary peg orders[8] do not exercise price discretion to meet the limit price of an active (i.e., taking) order. Specifically, as set forth in Rule 11.190(b)(10), a Discretionary Peg order pegs to the less aggressive of the primary quote (i.e., NBB for buy orders and NBO for sell orders) or the order's limit price, if any, but, will exercise price discretion in order to meet the limit price of an active order up to the less aggressive of the Midpoint Price or the order's limit price, if any. However, a Discretionary Peg order will not exercise such price discretion when the CQI is on. Similarly, as set forth in Rule 11.190(b)(8), a primary peg order pegs to a price that is the less aggressive of one (1) minimum price variant ("MPV") less aggressive than the primary quote (i.e., one MPV below (above) the NBB (NBO) for buy (sell) orders) or the order's limit price, if any, but will exercise price discretion in order to meet the limit price of an active order up to the NBB (for buy orders) or down to the NBO (for sell orders), except when the CQI is on or if the order is resting at its limit price, if any.

In addition, when the CQI is on buy (sell) orders that take liquidity at prices at or below (above) the NBO (NBB) are subject to the Crumbling Quote Remove Fee ("CQRF") for executions that exceed the CQRF Threshold.

Discretionary Peg Order

The manner in which Discretionary Peg orders operate is described in Rule

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7 See Rule 11.190(b)(10).

8 See Rule 11.190(b)(8).

11.190(b)(10). Specifically, a Discretionary Peg order is a non-displayed, pegged order that upon entry into the System, the price of the order is automatically adjusted by the System to be equal to the less aggressive of the Midpoint Price or the order's limit price, if any. When unexecuted shares of such order are posted to the Order Book, the price of the order is automatically adjusted by the System to be equal to and ranked at the less aggressive of the primary quote or the order's limit price and is automatically adjusted by the System in response to changes in the NBB (NBO) for buy (sell) orders up (down) to the order's limit price, if any. In order to meet the limit price of active orders on the Order Book, a Discretionary Peg order will exercise the least amount of price discretion necessary from the Discretionary Peg order's resting price to its discretionary price (defined as the less aggressive of the Midpoint Price or the Discretionary Peg order's limit price, if any), except during periods of quote instability (i.e., when a crumbling quote exists) as defined in paragraph Rule 11.190(g).

Primary Peg Orders

The manner in which primary peg orders operate is described in Rules 11.190(a)(3) and 11.190(b)(8). Specifically, a primary peg order is a non-displayed, pegged order that upon entry and when posting to the Order Book the price of the order is automatically adjusted by the System to be equal to and ranked at the less aggressive of one (1) MPV less aggressive than the primary quote (i.e., the NBB for buy orders and the NBO for sell orders) or the order's limit price, if any. While resting on the Order Book, the order is automatically adjusted by the System in response to changes in the NBB (NBO) for buy (sell) orders up (down) to the order's limit price, if any. In order to meet the limit price of active orders on the Order Book a primary peg order will exercise price discretion to its discretionary [sic] (defined as the primary quote), except during periods of quote instability as defined in paragraph 11.190(g).

CQRF

The CQRF is designed to incentivize resting liquidity, including displayed liquidity, on IEX, and is applicable to orders that remove resting liquidity when the CQI is on if such orders constitute at least 5% of the Member's volume executed on IEX and at least 1,000,000 shares, on a monthly basis, measured on a per market participant identifier ("MPID") basis. Thus, orders that exceed the 5% and 1,000,000 share thresholds are assessed a fee of $0.0030 per each incremental share executed (or 0.3% of the total dollar value of the transaction for securities priced below $1.00) that exceeds the threshold.

Crumbling Quote Calculation

In determining whether a crumbling quote exists, the Exchange utilizes real time relative quoting activity of certain Protected Quotations and a proprietary mathematical calculation (the "quote instability calculation") to assess the probability of an imminent change to the current Protected NBB to a lower price or Protected NBO to a higher price for a particular security ("quote instability factor"). When the quoting activity meets predefined criteria and the quote instability factor calculated is greater than the Exchange's defined threshold ("quote instability threshold"), the System treats the quote as not stable ("quote instability" or a "crumbling quote"). During all other times, the quote is considered stable ("quote stability"). The System independently assesses the stability of the Protected NBB and Protected NBO for each security.

When the System determines that a quote, either the Protected NBB or the Protected NBO, is unstable, the determination remains in effect at that price level for two (2) milliseconds. The System will only treat one side of the Protected NBBO as unstable in a particular security at any given time.[9] By not permitting resting Discretionary Peg orders and primary peg orders to

[9] See, Rule 11.190(g).

exercise price discretion during periods of quote instability, the Exchange is designed to protect such orders from unfavorable executions when its probabilistic model identifies that the market appears to be moving adversely to them. Similarly, the CQRF is designed to protect liquidity providing orders by disincentivizing trading strategies that target resting liquidity during periods of quote instability seeking to trade at prices that are about to become stale.

Quote stability or instability (also referred to as a crumbling quote) is an assessment that the Exchange System makes on a real-time basis, based on a pre-determined, objective set of conditions specified in Rule 11.190(g)(1). Specifically, quote instability, or the presence of a crumbling quote, is determined by the System when:

(A) the quote instability factor result from the quote stability calculation is greater than the defined quote instability threshold.

(i) Quote Instability Factor. The Exchange's proprietary quote stability calculation used to determine the current quote instability factor is defined by the following formula that utilizes the quote stability coefficients and quote stability variables defined below:

$1 / (1 + e \wedge -(C_0 + C_1 * N + C_2 * F + C_3 * NC + C_4 * FC + C_5 * EPos + C_6 * ENeg + C_7 * EPosPrev + C_8 * ENegPrev + C_9 * Delta))$

(a) Quote Stability Coefficients. The Exchange utilizes the values below for the quote stability coefficients.

(1) C_0 = -1.2867

(2) C_1 = -0.7030

(3) C_2 = 0.0143

(4) C_3 = -0.2170

(5) C_4 = 0.1526

(6) C_5 = -0.4771

(7) C_6 = 0.8703

(8) C_7 = 0.1830

(9) C_8 = 0.5122

(10) C_9 = 0.4645

(b) Quote Stability Variables. The Exchange utilizes the quote stability variables defined below to calculate the current quote instability factor.

(1) N = the number of Protected Quotations on the near side of the market, i.e. Protected NBB for buy orders and Protected NBO for sell orders.

(2) F = the number of Protected Quotations on the far side of the market, i.e. Protected NBO for buy orders and Protected NBB for sell orders.

(3) NC = the number of Protected Quotations on the near side of the market minus the maximum number of Protected Quotations on the near side at any point since one (1) millisecond ago or the most recent PBBO change, whichever happened more recently.

(4) FC = the number of Protected Quotations on the far side of the market minus the minimum number of Protected Quotations on the far side at any point since one (1)

millisecond ago or the most recent PBBO change, whichever happened more recently.

(5) EPos = a Boolean indicator that equals 1 if the most recent quotation update was a quotation of a protected market joining the near side of the market at the same price.

(6) ENeg = a Boolean indicator that equals 1 if the most recent quotation update was a quotation of a protected market moving away from the near side of market that was previously at the same price.

(7) EPosPrev = a Boolean indicator that equals 1 if the second most recent quotation update was a quotation of a protected market joining the near side of the market at the same price AND the second most recent quotation update occurred since one (1) millisecond ago or the most recent PBBO change, whichever happened more recently.

(8) ENegPrev = a Boolean indicator that equals 1 if the second most recent quotation update was a quotation of a protected market moving away from the near side of market that was previously at the same price AND the second most recent quotation update occurred since one (1) millisecond ago or the most recent PBBO change, whichever happened more recently.

(9) Delta = the number of these three (3) venues that moved

away from the near side of the market on the same side of the market and were at the same price at any point since one (1) millisecond ago or the most recent PBBO change, whichever happened more recently: XNGS, EDGX, BATS.

(ii) Quote Instability Threshold. The Exchange utilizes a quote instability threshold of 0.39 for securities whose current spread is less than or equal to \$0.01; 0.45 for securities for which the current spread (i.e., the Protected Best Offer minus Protected Best Bid) is greater than \$0.01 and less than or equal to \$0.02; 0.51 for securities for which the current spread is greater than \$0.02 and less than or equal to \$0.03; and 0.39 for securities for which the current spread is greater than \$0.03.

Rule 11.190(g)(1)(D)(iii) provides that the Exchange reserves the right to modify the quote instability coefficients or quote instability threshold at any time, subject to a filing of a proposed rule change with the SEC. The Exchange is proposing such changes in this rule filing.

<u>Changes to quote instability coefficients and quote instability threshold</u>

IEX conducted an analysis of the effectiveness of the existing factors in predicting whether a crumbling quote would occur, by reviewing market data from randomly selected days in the period from October 2016 through October 2017. These results were then validated by testing different randomly selected dates from the same time period. Based on this analysis, the Exchange has determined that further optimization of the methodology and existing factors would incrementally increase the accuracy of the formula in predicting whether a crumbling quote will occur. The following describes the proposed changes:

1. Rule 11.190(g)(1) provides in part that when the System determines that a quote, either

the Protected NBB or the Protected NBO is unstable, the determination remains in effect at that price level for two (2) milliseconds. The Exchange proposes to revise the time limitation on how long each determination remains in effect, and reorganize certain existing rule text for clarity. As proposed, when the System determines that either the Protected NBB or the Protected NBO in a particular security is unstable, the determination remains in effect at that price level for two (2) milliseconds, unless a new determination is made before the end of the two (2) millisecond period. Only one determination may be in effect at any given time for a particular security. A new determination may be made after at least 200 microseconds has elapsed since a preceding determination, or a price change on either side of the Protected NBBO occurs, whichever is first. If a new determination is made, the original determination is no longer in effect. A new determination can be at either the Protected NBB or the Protected NBO and at the same or different price level as the original determination.[10] Based upon our analysis of market data, as described above, the Exchange believes that changes to the time limitation would provide for a more dynamic methodology for quote instability determinations thereby incrementally increasing the accuracy of the formula in predicting a crumbling quote by expanding the scope of the model to additional situations where a crumbling quote exists at a different price point, or again at the same price point within two (2) milliseconds. For example, suppose that the NBBO is currently $10.03 by $10.04 in a particular security, and the System determines that the NBB is unstable. This

10 The Exchange also proposes a nonsubstantive change to the text of subparagraph (g)(1) of Rule 11.190 to remove the sentence stating that "[t]he System will only treat one side of the Protected NBBO as unstable in a particular security at any give time." which is redundant of proposed new text that provides that "[o]nly one determination may be in effect at any given time for a particular security.". [sic]

determination goes into effect, with an expiration time set two (2) milliseconds in the future. Now suppose that one (1) millisecond later, the NBB falls to $10.02 and the System determines that this new NBB is unstable. As proposed once the System makes a new determination that the NBB of $10.02 is unstable, even though the prior determination at $10.03 has not expired, the new determination will overwrite the old determination, and its expiration time will be set to two (2) milliseconds in the future from the time of this determination.

2. The Exchange proposes to revise five of the quote stability variables currently specified in subparagraph (1)(A)(i)(b) of Rule 11.190(g). Specifically, the Exchange proposes to revise variables NC, EPosPrev, ENegPrev and Delta to be calculated over a time window looking back from the time of calculation to one (1) millisecond ago or the most recent PBBO change on the near side (rather than on either side), whichever happened more recently. Based on our analysis of market data, as described above, the Exchange identified that for each variable, considering the maximum change over the time window defined in this manner is a more accurate indicator of a crumbling quote than the current approach. Similarly, the Exchange proposes to revise variable FC to be calculated over a time window looking back from the time of calculation to one (1) millisecond ago or the most recent PBBO change on the far side (rather than on either side), whichever happened more recently. Based on our analysis of market data, as described above, the Exchange identified that for this variable, considering the maximum change over the time window described in this manner is a more accurate indicator of a crumbling quote than the current approach.

3. The Quote Stability Coefficients specified in subparagraph (1)(A)(i)(a) of Rule 11.190(g)

are proposed to be modified to take into account the recent market data analysis, as well as the changes to the quote stability variables as described above. The Exchange believes that the modifications, as proposed, will increase the accuracy of the quote instability calculation.

4. The Exchange proposes to modify and re-optimize the Quote Instability Threshold specified in subparagraph (1)(A)(ii) of Rule 11.190(g) based on the recent market data analysis and the changes to the quote stability variables. Specifically, the threshold size would continue to vary based on the spread of the Protected NBBO,[11] but the values would be revised. Based on its data analysis, as described above, the Exchange believes that the revised values, as proposed, will increase the accuracy of the quote instability calculation.

5. Finally, the Exchange proposes to conform terminology within Rule 11.190(g) by replacing the use of the term "quote stability" in two instances – within subparagraph (1)(A) and subparagraph (1)(A)(i) of 11.190(g) – with "quote instability" for clarity and consistency. The Exchange notes that in context, both instances mean "quote instability" so no substantive change is proposed in this respect.

The Exchange will announce the implementation date of the proposed rule change by Trading Alert at least five business days in advance of such implementation date and within 90 days of effectiveness of this proposed rule change.

2. <u>Statutory Basis</u>

IEX believes that the proposed rule change is consistent with Section 6(b)[12] of the Act in

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11 The spread is defined in proposed paragraph (1)(D)(ii) as the Protected Best Offer minus Protected Best Bid.

12 15 U.S.C. 78f.

general, and furthers the objectives of Section 6(b)(5) of the Act,[13] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, 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. Specifically, and as discussed above, the proposal is designed to optimize and enhance the effectiveness of the quote instability calculation in determining whether a crumbling quote exists. As discussed in the Purpose section, each of the proposed changes are based on the Exchange's analysis of market data, which supports that the proposed changes would increase the accuracy of the Exchange's quote instability calculation.

The Exchange believes that the proposed changes are designed to protect investors and the public interest by incrementally enhancing the accuracy of the Exchange's quote instability calculation in determining whether a crumbling quote exists, thereby increasing the Exchange's protection of Discretionary Peg orders, primary peg orders and other liquidity providing orders. Specifically, the Exchange believes that the proposed rule change will enhance the extent to which Discretionary Peg orders and primary peg orders will be protected from unfavorable executions by increasing the instances in which such orders will be prevented from exercising price discretion during periods of quote instability when the Exchange's probabilistic model identifies that the market appears to be moving adversely to them. Similarly, the Exchange believes that the proposed rule change will incrementally enhance the extent to which liquidity providing orders will be protected from liquidity taking orders targeting them at prices that are likely to move adversely from the perspective of the liquidity providing order.

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[13] 15 U.S.C. 78f(b)(5).

The Exchange also believes that application of the proposed rule change to the CQRF is equitable and not unfairly discriminatory, because it will continue to be narrowly tailored to disincentivize all Members from deploying trading strategies designed to chase short-term price momentum during periods when the CQI is on and thus potentially adversely impact liquidity providing orders. Further, although the incremental enhancements to the accuracy of the crumbling quote formula may result in a corresponding increase in executions that remove resting liquidity when the CQI is on, the Exchange believes that Members are able to adjust their trading on IEX to reduce or eliminate the imposition of fees pursuant to the CQRF. Moreover, based on its review of market data during February 2018, the Exchange estimates that while approximately 10% more trades would be impacted by the proposed rule change, only one additional Member would potentially be subject to the CQRF. However, a review of this Member's trading activity since the January 2018 implementation of the CQRF indicates that the Member has been able to adjust its trading on IEX to reduce and then eliminate its liability for the CQRF. Thus, the Exchange believes that application of the rule change with respect to the CQRF is equitable and not unfairly discriminatory.

The Exchange further believes that the conforming changes to terminology are consistent with the Act because they are designed to provide enhanced clarity within Rule 11.190(g) and thereby avoid any potential confusion on the part of market participants.

Finally, the Exchange notes that, as proposed, the new quote instability calculation will continue to be a fixed formula specified transparently in IEX's rules. The Exchange is not proposing to add any new functionality, but merely to revise the fixed formula based on market data analysis designed to increase the accuracy of the formula in predicting a crumbling quote, and as contemplated by the rule.

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. With regard to intra-market competition, the proposed change will apply equally to all IEX Members. The Commission has already considered the Exchange's Discretionary Peg order type in connection with its grant of IEX's application for registration as a national securities exchange under Sections 6 and 19 of the Act[14] and approved the Exchange's primary peg order type.[15] The Commission has also considered the CQRF,[16] and the Exchange does not believe that the incremental increase in the number of executions that remove resting liquidity when the CQI is on as a result of the proposed enhancements to the accuracy of the quote instability calculation specified in Rule 11.190(g) will create a burden on competition with respect to application to the CQRF. As discussed in the Statutory Basis section, the proposed rule change will apply equally to all Members, and the Exchange believes that Members who may be subject to potential increased fees will be able to adjust their trading on IEX to reduce or eliminate any additional fees pursuant to the CQRF.

The Exchange also believes that the proposed rule change will not result in any burden on inter-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. In this regard, the Exchange notes that NYSE American LLC has adopted a rule copying an

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14 See Securities Exchange Act Release 78101 (June 17, 2016), 81 FR 41142 (June 23, 2016) (File No. 10-222).

15 See Securities Exchange Act Release No. 80223 (March 13, 2017), 82 FR 14240 (March 17, 2017).

16 See Securities Exchange Act Release No. 81484 (August 25, 2017), 82 FR 41446 (August 31, 2017).

earlier iteration of the Exchange's Discretionary Peg Order and quote stability calculation.[17]

As discussed in the Purpose and Statutory Basis sections, the proposed rule change is designed to merely enhance the accuracy of the quote instability calculation; 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

Because the foregoing 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)(iii) of the Act[18] and subparagraph (f)(6) of Rule 19b-4 thereunder.[19]

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of the filing. However, Rule 19b-4(f)(6)(iii)[20] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. In its filing, IEX requests that the Commission waive the 30-day operative delay. IEX represented that the proposed rule change would optimize the methodology by which the Exchange determines whether a crumbling quote exists. Specifically, IEX stated that its

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17 See NYSE American Rule 7.31E(h)(3)(D).

18 15 U.S.C. 78s(b)(3)(A)(iii).

19 17 CFR 240.19b-4(f)(6). In addition, 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.

20 17 CFR 240.19b-4(f)(6)(iii).

proposed changes to the quote stability variables, the quote stability coefficients, and the quote instability threshold were based on a recent market data analysis and would increase the accuracy of the quote instability calculation. IEX similarly believed that its proposed changes to the current time limitation would provide a more dynamic and expansive methodology that would increase the accuracy of quote instability determinations.[21] IEX further indicated that the proposed changes to the quote instability calculation would enhance the Exchange's ability to protect Discretionary Peg orders, primary peg orders, and other liquidity providing orders from unfavorable executions, because such changes would better prevent such orders from exercising price discretion during periods when the market appears to be moving adversely to them.

The Commission believes that a partial waiver of the 30-day operative delay is consistent with the protection of investors and the public interest as it will allow IEX to optimize the functionality of its quote instability calculation in order to allow the crumbling quote functionality to better meet its intended purpose to protect certain liquidity-providing orders. At the same time, a partial operative delay will afford the public time to review and comment upon the proposed changes before they become operative. Accordingly, the Commission waives the 30-day operative delay and designates that the proposed rule change will become operative on April 24, 2018.[22]

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

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21 The Exchange also proposed several non-substantive changes to Rule 11.190(g) that were designed to increase the clarity and consistency of the rule.

22 For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

(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.

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 e-mail to rule-comments@sec.gov. Please include File Number SR-IEX-2018-07 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-2018-07. This file number should be included on the subject line if e-mail 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 Room, 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 also will be available for inspection and copying at the principal office of the Exchange. 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-2018-07, 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.[23]

Eduardo A. Aleman
Assistant Secretary

[23] 17 CFR 200.30-3(a)(12) and (59).