



IEMM PROGRAM

A Market Quality Incentive Program for IEX-listed Securities

The IEX Enhanced Market Maker (“IEMM”) Program offers a discount on trading fees across a broad set of securities traded on IEX to Members that provide meaningful and consistent support to market quality and price discovery in IEX-listed securities by quoting at and/or near the NBBO. IEX offers two IEMM tiers: Inside Tier and Depth Tier.

Obligations

A Member may be designated as an IEMM if they meet the following requirements at the conclusion of the month:

1. The Member satisfies one or both of the following quoting requirements for each IEX-listed security:
 - a. NBBO Quoting Percentage for the Inside Tier: Quoting with principal orders at the NBB or the NBO, or both the NBB and NBO, for an average of 20% of the trading day.
 - b. Depth Quoting Percentage for the Depth Tier: Quoting with principal orders at the greater of 1 MPV or 3 bps away from the NBBO (or more aggressive) for an average of 75% of the trading day.
2. The Member is registered and meets the requirements of an IEX Market Maker in all securities listed on IEX.¹

To support IEX Market Makers with their quoting obligations for registered securities, IEX offers a Market Maker Peg order type. Please see the [IEX Market Maker Specification](#) for additional details.

Benefits

In return for IEMMs meeting stringent market making requirements in IEX-listed securities, IEX will discount qualifying executions for all symbols traded on the Exchange.

Executions during continuous trading at or above \$1.00 that are subject to the Non-Displayed Match Fee or Displayed Match Fee qualify for the Non-Displayed Match Fee Discount or Displayed Match Fee Discount, respectively. Executions subject to the Crumbling Quote Remove Fee (i.e., 30 mils) or the Internalization Fee do not qualify for a discount.

IEMM Tier	Quoting Requirements	Non-Displayed Match Fee Discount	Displayed Match Fee Discount
Inside Tier	Meets or exceeds the NBBO Quoting Percentage	\$0.0001	\$0.0001
Depth Tier ²	Meets or exceeds the Depth Quoting Percentage	\$0.0001 (capped)	\$0.0001 (capped)

When an IEMM qualifies for both tiers, IEX will aggregate and apply the applicable discounts (e.g., a non-displayed execution will receive a 2 mil discount from the standard 9 mil Non-Displayed Match Fee).

¹ Supplementary Material .01 of IEX Rule 11.150 provides an exception to IEX Market Makers that provide documentation substantiating that such Member is unable to act as a market maker in one or more securities listed on IEX.

² The discount for the Depth Tier is capped at \$20,000.00 in aggregate savings per month, per Member (i.e., CRD).



Calculation of the Quoting Requirements

At the end of the calendar month, IEX will calculate if an IEX Market Maker met one or both of the quoting requirements for each IEX-listed security by aggregating the time that one or more of a Member's MPIDs was quoting each trading day that security was listed on IEX. The Exchange will provide daily reports of quoting behavior to IEX Market Makers.

For the purposes of calculating the quoting requirements, a quote is a displayed order entered in a principal capacity of at least one round lot resting on the continuous order book during Regular Market Hours.

NBBO Quoting Percentage for the Inside Tier

$((\text{NBB Quoting Time} + \text{NBO Quoting Time}) / 2) / (\text{Regular Market Hours} - \text{Time Security is Halted}) \geq 20\%$

- NBB Quoting Time: aggregate amount of time quoting at the NBB
- NBO Quoting Time: aggregate amount of time quoting at the NBO
- Regular Market Hours: aggregate amount of time between the start and end of [Regular Market Hours](#), usually 9:30 a.m. - 4:00 p.m. Eastern Time ("ET")
- Time Security is Halted: aggregate amount of time that a security is subject to a halt or pause in trading pursuant to IEX Rule 11.280

Note that a firm can quote at the NBB 40% of the time or be on both the NBB and NBO 20% of the time, or some combination, so long as the average of the time at the NBB and NBO is at least 20%.

Depth Quoting Percentage for the Depth Tier

$((\text{Bid Depth Quoting Time} + \text{Offer Depth Quoting Time}) / 2) / (\text{Regular Market Hours} - \text{Time Security is Halted}) \geq 75\%$

- Bid Depth Quoting Time: aggregate amount of time quoting at the greater of 1 MPV or 0.03% away from the NBB (or more aggressive)
- Offer Depth Quoting Time: aggregate amount of time quoting at the greater of 1 MPV or 0.03% away from the NBO (or more aggressive)
- Regular Market Hours: aggregate amount of time between the start and end of [Regular Market Hours](#), usually 9:30 a.m. - 4:00 p.m. ET
- Time Security is Halted: aggregate amount of time that a security is subject to a halt or pause in trading pursuant to IEX Rule 11.280

Note that a quotation at the NBB (NBO) counts towards a firm's NBB (NBO) Quoting Time, as well as the Bid (Offer) Depth Quoting Time.

MORE INFORMATION

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