

## IEX RETAIL MEMBER ORGANIZATION APPLICATION

**Instructions:** Completion of this Application and Attestation, and approval by the Investors Exchange (“IEX” or the “Exchange”), is required prior to a Member (“Applicant”) being qualified as a Retail Member Organization pursuant to IEX Rule 11.232(b). The criteria required to be approved as a Retail Member Organization are set forth below. Only an approved Retail Member Organization is eligible to send a Retail order to IEX pursuant to Rule 11.232(a)(2) for participation in IEX’s Retail Price Improvement Program (“Retail Program”). To qualify as a Retail Member Organization, an Applicant must either conduct a retail business or route retail orders on behalf of another broker-dealer. For purposes of the Retail Program, conducting a retail business includes carrying retail customer accounts on a fully disclosed basis. Supporting documentation sufficient to demonstrate the retail nature and characteristics of your order flow must be provided. Supporting documentation includes sample marketing literature, website screenshots, and any other documentation and information requested by IEX to confirm that the Applicant’s order flow would meet the requirements of the Retail order definition.

Upon receipt of a completed Retail Member Organization Application and Attestation, and supporting documentation, IEX will promptly notify the Applicant in writing as to whether the application was approved or disapproved. An Applicant may appeal a disapproval of its application pursuant to the procedures set forth in Rule 11.232(d).

Please update the attached Equities Port Request Form<sup>1</sup> (“Port Request”) to designate any of the Applicant’s order entry sessions to exclusively submit Retail orders to IEX (if approved as a Retail Member Organization). Retail orders submitted to IEX through an order entry session designated as exclusively for Retail orders do not need to designate such order(s) as Retail orders. An Applicant or the service bureau<sup>2</sup> through which the Applicant connects to IEX (if applicable), may also update the Port Request to identify which of the Applicant’s order entry ports should be enabled to submit Retail orders to IEX on a nonexclusive basis.

A “Retail” order is an agency or riskless principal order (that satisfies FINRA Rule 5320.03) that originates from a natural person and is submitted to IEX by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price (except in the case that a market order is changed to a marketable limit order) or side of market and the order does not originate from a trading algorithm or any other computerized methodology. A Retail Order is a Discretionary Peg order or Midpoint Peg order, with a Time-in-Force of Immediate or Cancel (“IOC”) or “Fill or Kill” (“FOK”), and is only eligible to trade at the Midpoint Price. For an order marked as “Retail” that doesn’t meet the above criteria, the “Retail” modifier will be disregarded, and the order will be handled otherwise in accordance with IEX rules.

Please note: A Retail Member Organization may use an algorithm to send or to determine whether or not to send a Retail order to the Exchange provided that the Retail Member Organization assures that the Retail Order meets the underlying rule requirements (including that the Retail Order itself did not originate from a trading algorithm).

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<sup>1</sup> Also available at <https://iextrading.com/docs/IEX%20Connectivity%20Agreements%20and%20Forms.pdf#page=8>

<sup>2</sup> Service bureaus must update their Port Request(s) for any order entry sessions used exclusively to submit Retail orders.



Please see Rule 11.232 for a full definition of terms and requirements of the IEX Retail Program or contact IEX Market Operations at [marketops@iextrading.com](mailto:marketops@iextrading.com) for further guidance.

**1. Member Information**

Name of Member Firm (“Applicant”):	
Web CRD Number:	
Business Address:	
Business Contact Name:	
Business Contact Phone:	
Business Contact E-Mail:	

**2. Attestation Regarding Retail Member Organization Supervisory Requirements**

By executing this Application, Applicant attests that substantially all orders submitted by Applicant as a Retail order would meet the qualifications for such orders under IEX Rule 11.232. Applicant further attests that it has in place written supervisory procedures pursuant to IEX Rule 11.232(b)(6). This clause requires Applicant to:

(i) exercise due diligence before entering a Retail order to assure that entry as a Retail order is in compliance with the requirements of the Retail Program, and (ii) monitor whether orders entered as Retail orders meet the applicable requirements.

In addition, if Applicant does not itself conduct a retail business, but routes Retail orders on behalf of another broker-dealer, Applicant’s supervisory procedures must be reasonably designed to assure that the orders it receives from such broker-dealer customer that are designated as Retail orders meet the definition of a Retail order. Specifically, the Applicant must (i) obtain an annual written representation, in a form acceptable to the Exchange, from each broker-dealer customer that sends it orders to be designated as Retail orders that entry of such orders as Retail orders will be in compliance with the requirements of this Rule; and (ii) monitor whether its broker-dealer customer’s Retail order flow meets the applicable requirements.

Name (Printed) <i>Authorized Signatory of Applicant</i>	
Name (Signature) <i>Authorized Signatory of Applicant</i>	
Title	
Date	

Please return this completed Application and Attestation, and supporting documentation, to IEX Market Operations via email at [marketops@iextrading.com](mailto:marketops@iextrading.com).



# EQUITIES PORT REQUEST FORM

## ORDER TYPE

- Addition     Removal     Change to Existing  
 Service Bureau (only check if you are a Service Bureau)

## PORT DETAILS

Connectivity Site:     IEX POP: Secaucus (Hot/Primary)     Disaster Recovery: Chicago (Cold/Secondary)  
                                   IEX Test Facility ("ITF"): Secaucus (Non-Production)

Type of Access:     Cross-Connect     3<sup>rd</sup> Party Extranet: \_\_\_\_\_

Drop Copy Port:     New     Existing    SenderCompID: \_\_\_\_\_  
                                   Qty: \_\_\_\_\_    MPID(s) to Drop: \_\_\_\_\_

Message(s) to Drop:     Fills     Breaks     Statuses (Acks, Cancels, Rejects, etc.)

Order Entry Port:     Qty: \_\_\_\_\_

### Order Entry Port Minimum Required Configurations:

- |  |                                 |   |                                    |
|--|---------------------------------|---|------------------------------------|
| Clone an Existing Port?                        | <input type="checkbox"/> Yes    | <input type="checkbox"/> No                           | Session ID: _____                  |
| Routing Enabled*?                              | <input type="checkbox"/> Yes    | <input type="checkbox"/> No                           |                                    |
| Allow ISO Orders?                              | <input type="checkbox"/> Yes    | <input type="checkbox"/> No                           |                                    |
| Symbology type? (Choose one only)              | <input type="checkbox"/> INET   | <input type="checkbox"/> CMS                          | <input type="checkbox"/> CMS Split |
| Allow Market Orders?                           | <input type="checkbox"/> Yes    | <input type="checkbox"/> No                           |                                    |
| Allow Short Sale Orders?                       | <input type="checkbox"/> Yes    | <input type="checkbox"/> No                           |                                    |
| Allow Trading in Pre- & Post-Market Sessions?  | <input type="checkbox"/> Yes    | <input type="checkbox"/> No                           |                                    |
| Allow Trade Busts?                             | <input type="checkbox"/> Yes    | <input type="checkbox"/> No                           |                                    |
| Cancel on Disconnect***? (Choose one only)     | <input type="checkbox"/> All    | <input type="checkbox"/> All, excluding On-Open/Close | <input type="checkbox"/> None      |
| Enable Anti-Internalization***?                | <input type="checkbox"/> Yes    | <input type="checkbox"/> No                           |                                    |
| If Yes: default by Broker or MPID?             | <input type="checkbox"/> Broker | <input type="checkbox"/> MPID                         |                                    |
| If Yes: Agency and/or Principal?               | <input type="checkbox"/> Agency | <input type="checkbox"/> Principal                    |                                    |
| Is this Session intended for Sponsored Access? | <input type="checkbox"/> Yes    | <input type="checkbox"/> No                           |                                    |

Max Order Share Size: (Default = 1,000,000 shares) \_\_\_\_\_

Max Order Notional Value: (Default = \$30,000,000) \_\_\_\_\_

MPID(s) Permissioned on this Port: \_\_\_\_\_

Clearing # Assignment for MPID(s): \_\_\_\_\_

Anticipated Total Message Volume per Day: \_\_\_\_\_

Anticipated Message to Trade Ratio: \_\_\_\_\_

Anticipated Peak Message Rate (msg/second): \_\_\_\_\_

Allow Retail Orders on     All Ports     Specific Ports (List Specific Ports in Comments)

Instruct IEX to Default All Orders Received on the following Port(s) as Retail Orders: \_\_\_\_\_



Note: Each port is delivered as a primary logical port at the requested IEX data center.

Users may request to increase the max order share size and max order notional value parameters to be less restrictive than the IEX default values. IEX Market Operations will record and review all requests to increase order limits.

### REMOVAL REQUEST

Order Entry Port	<input type="checkbox"/> Session ID(s): _____	Reason for Removal: _____
Drop Copy Port	<input type="checkbox"/> Session ID(s): _____	Reason for Removal: _____

### ADDITIONAL COMMENTS OR REQUEST NOTES

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### ORDER AUTHORIZATION

MPID(s) / Company Name:

Authorized Contact (Please Print):

**Authorized Signature:**

**Date:**

\* Users who wish to enable routing, must complete and submit a Securities Routing Agreement found in the [Member Application](#).

**\*\* All:** Cancel all open orders (Continuous Book, On-Open, and On-Close). If a disconnect occurs between the Lock-in Time and the auction match, orders that are locked-in for the auction will not be canceled. For the Opening Auction, any unfilled portion of DAY and GTX limit orders will be canceled at the conclusion of the auction match in a manner similar to Limit-On-Open ("LOO") orders. **All, excluding On-Open/On-Close:** Cancel all open orders, excluding On-Open and On-Close orders. **None:** Do not cancel any open orders.

The Exchange provides a best effort attempt to cancel all open orders from a User upon a communications disconnect. A loss of connectivity signal must travel through the IEX POP before IEX becomes aware of the loss of connectivity. There is no guarantee that the automatic cancel feature provided by the Exchange will be error free or will operate without interruption. By signing above, you agree and acknowledge that the Exchange is not liable or responsible in any way for any orders which may fail to be canceled using the automatic cancel feature. Members may call the Market Operations at 646.343.2310 to verbally request that all open orders be canceled or check the status of open orders.

\*\*\* Anti-Internalization is a broker-level setting preventing self-match of two orders from the same Member on the IEX Order Book. As a default, Anti-Internalization may be enforced by Member (broker) or MPID. Additionally, Members may specify an Anti-Internalization Group Identifier ("AGID") on each order to enforce the behavior at a more granular level. Please refer to Exchange Rule 11.190(e) for additional information.

All services and products requested on this form are governed by the terms in the User Agreement and the Exchange Rules.

If you do not receive a written confirmation from IEX within 3 business days that your request has been received and processed, please contact Market Operations at 646.343.2310 or [marketops@iextrading.com](mailto:marketops@iextrading.com).

Please refer to the IEX Fee Schedule posted at [www.iextrading.com](http://www.iextrading.com) or the latest price list.