

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 Equities Port Request Form¹ (“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 bureau² 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).

¹ Available at <https://iextrading.com/docs/IEX%20Equities%20Port%20Request%20Form.pdf>

² 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 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.