



# RETAIL ORDERS

## RETAIL TRADING<sup>1</sup> AT THE MIDPOINT ON IEX

IEX's retail offering aims to provide eligible Retail orders with consistent midpoint price improvement via an order type that increases the probability of execution against both IEX's significant midpoint liquidity and supplemental midpoint interest from Retail Liquidity Providers.

### Retail Orders

Eligible Retail orders are those sent to IEX during the Regular Market Session by Retail Member Organizations (RMOs, see below) and must be designated as Retail (FIX Tag 9416 = 'R') to remove liquidity at the midpoint upon entry via Discretionary Peg (D-Peg) or Midpoint Peg orders with a Time-in-Force of Immediate-or-Cancel (IOC) or Fill-or-Kill (FOK). Such Retail orders will interact with other IEX orders eligible to trade at the midpoint, as well as Retail Liquidity Provider (RLP) orders.

RLP orders are D-Peg orders that can be submitted by any IEX Member (including agency brokers representing retail or institutional investors, principal desks, or market makers) that will be executable only against eligible Retail orders. RLP D-Peg orders will rank behind standard D-Peg and Midpoint Peg orders in execution priority at the same price.

### Benefits of IEX Midpoint Trading

- Opportunity for significant price improvement with zero effective spread
- Deterministic execution price: **ALL** trades happening at the midpoint of the NBBO, **ALL** the time
- Less impact on the price of a security<sup>2</sup>
- Potential for increased likelihood of midpoint execution from supplemental RLP liquidity

### Qualifying as a Retail Member Organization

To be approved by IEX as an RMO, a broker-dealer must conduct a retail business or handle retail orders on behalf of another broker dealer. An RMO must complete a Retail Member Organization Application and Port Request Form, and have written policies and procedures (including an attestation) reasonably designed to assure that substantially all orders it designates as Retail orders meet the applicable requirements, and provide supporting documentation substantiating the retail nature and characteristics of its order flow.

### Pricing

Eligible Retail orders will trade for free.

### More Information

Please see [IEX Rule Filing SR-IEX-2019-05](#) for complete details.

[www.iextrading.com](http://www.iextrading.com) Phone: 646.343.2310 Email: [marketops@iextrading.com](mailto:marketops@iextrading.com)

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<sup>1</sup> Retail and RLP orders and fees are approved but not yet available on IEX. Rollout timing will be announced via trading alert.

<sup>2</sup> See [IEX Market Quality, Stable Volume on Midpoint Trades](#).

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