

Required fields are shown with yellow backgrounds and asterisks.

Filing by Investors' Exchange LLC  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

|   |                          |                          |                                      |   |                          |
|---|--------------------------|--------------------------|--------------------------------------|---|--------------------------|
| Initial *   | Amendment *              | Withdrawal               | Section 19(b)(2) *                   | Section 19(b)(3)(A) *                           | Section 19(b)(3)(B) *    |
| <input checked="" type="checkbox"/>                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>             | <input checked="" type="checkbox"/>             | <input type="checkbox"/> |
| Pilot <input type="checkbox"/>  |                          |                          | Rule                                 |   |                          |
| Extension of Time Period for Commission Action * <input type="checkbox"/> |                          |                          | <input type="checkbox"/> 19b-4(f)(1) | <input type="checkbox"/> 19b-4(f)(4)            |                          |
| Date Expires * <input type="text"/>                                       |                          |                          | <input type="checkbox"/> 19b-4(f)(2) | <input type="checkbox"/> 19b-4(f)(5)            |                          |
|   |                          |                          | <input type="checkbox"/> 19b-4(f)(3) | <input checked="" type="checkbox"/> 19b-4(f)(6) |                          |

|   |  |
|---|--|
| Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 | Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 |
| Section 806(e)(1) * <input type="checkbox"/>  | Section 806(e)(2) * <input type="checkbox"/>                                   |
|   | Section 3C(b)(2) * <input type="checkbox"/>                                    |

|   |   |
|---|---|
| Exhibit 2 Sent As Paper Document <input type="checkbox"/> | Exhibit 3 Sent As Paper Document <input type="checkbox"/> |
|---|---|

**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

Proposed rule change to make a clarifying amendment to IEX Rule 16.135.

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \*  Last Name \*

Title \*

E-mail \*

Telephone \*  Fax

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)

Date  Chief Regulatory Officer

By

(Name \*)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend IEX Rule 16.135(b)(1) to clarify that the description in a proposal under Section 19(b) of the Act to list a series of Managed Fund Shares constitutes continued listing standards for such series of Managed Fund Shares.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

Claudia Crowley  
Chief Regulatory Officer  
Investors Exchange LLC  
646-343-2041

Sophia Lee  
General Counsel  
Investors Exchange LLC  
646-343-2040

3. Self-Regulatory Organization's Statement on the Purpose of, and Statutory Basis for, the Proposed Rule Change

a. Purpose

Overview

The Exchange proposes to amend IEX Rule 16.135(b)(1) to clarify that the description in a proposal under Section 19(b) of the Act to list a series of Managed Fund Shares constitutes continued listing standards for such series of Managed Fund Shares. The proposed rule change is substantially identical to a recent Nasdaq Stock Market ("Nasdaq") rule change.<sup>3</sup>

Specifically, the Exchange proposes to amend the applicability section of IEX Rule 16.135(b)(1) to specify that any of the statements or representations regarding not just the description of the portfolio, but also of the reference assets, among other things, will constitute continued listing requirements for listing of shares. This revision will conform the language to current criteria in IEX Rule 16.135(d)(2)(C)(iv) with respect to criteria for IEX to consider the suspension of trading and initiation of delisting proceedings of a series of Managed Fund Shares under the IEX Rule Series 14.500.<sup>4</sup>

The Exchange does not currently list any Managed Fund Shares.

b. Statutory Basis

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<sup>3</sup> See Securities Exchange Act Release No. 80810 (May 30, 2017), 82 FR 26205 (June 6, 2017) (SR-NASDAQ-2017-052)

<sup>4</sup> See Securities Exchange Act Release No. 80545 (April 27, 2017), 82 FR 20648 (May 3, 2017) SR-IEX-2017-03).

IEX believes that the proposed rule change is consistent with Section 6(b)<sup>5</sup> of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>6</sup> 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.

The Exchange believes that the proposed change to amend the applicability section of IEX Rule 16.135(b)(1) to specify that any of the statements or representations regarding not just the description of the portfolio, but also of the reference assets, among other things, will constitute continued listing requirements for listing of shares will provide clarity and accurately reflect the intent of the rule to the benefit of investors and the public interest.

Accordingly, based on the foregoing, the Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act.

4. 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. The Exchange believes that the proposed rule change may enhance competition since it addresses an inconsistency in the applicability of listing standards applicable to Managed Fund Shares.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule

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<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(5).

Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The Exchange believes that this proposal qualifies for effectiveness on filing as a “non-controversial” rule change in accordance with Section 19(b)(3)(A) of the Act<sup>7</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>8</sup>

The Exchange asserts that the proposed rule change (i) will not significantly affect the protection of investors or the public interest, (ii) will not impose any significant burden on competition, and (iii) by its terms, will not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest. In addition, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing, or such shorter time as the Commission may designate.

The Exchange believes that this filing is non-controversial because it does not significantly affect the protection of investors or the public interest, and does not impose any significant burden on competition, because it is designed to provide for more consistent listing standards for Managed Fund Shares. Further, the proposed rule change

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<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 C.F.R. 240.19b-4.

is substantially identical to Nasdaq Rule 5735(b)(1) and thus raises no new or novel issues that have not been previously considered by the Commission. Accordingly, the Exchange believes that the proposed rule change is eligible for immediate effectiveness.<sup>9</sup>

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 necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) of the Act to determine whether the proposed rule change should be approved or disapproved.<sup>10</sup>

8. Proposed Rule Change Based on the Rules of Another Self-Regulatory Organization or of the Commission

This proposed rule change is substantially identical to an effective Nasdaq rule change.<sup>11</sup>

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of the Proposed Rule Change for Publication in the Federal Register.

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<sup>9</sup> See Securities Exchange Act Release No. 58092 (July 3, 2008), 73 FR 40144 (July 11, 2008) (concerning 17 CFR 200 and 241).

<sup>10</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>11</sup> See supra note 3.

Exhibit 5 – Text of Proposed Rule Change.



EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34 -     ); File No. SR-IEX-2017-23)

Self-Regulatory Organizations: Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Make a Clarifying Amendment to IEX Rule 16.135.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on (date), 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, II and III 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 Securities Exchange Act of 1934 (“Act”),<sup>4</sup> and Rule 19b-4 thereunder,<sup>5</sup> Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Commission a proposed rule change to amend IEX Rule 16.135(b)(1) to clarify that the description in a proposal under Section 19(b) of the Act to list a series of Managed Fund Shares constitutes continued listing standards for such series of Managed Fund Shares.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> 15 U.S.C. 78s(b)(1).

<sup>5</sup> 17 CFR 240.19b-4.

The text of the proposed rule change is available at the Exchange's website at [www.iextrading.com](http://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 the 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 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

Overview

The Exchange proposes to amend IEX Rule 16.135(b)(1) to clarify that the description in a proposal under Section 19(b) of the Act to list a series of Managed Fund Shares constitutes continued listing standards for such series of Managed Fund Shares. The proposed rule change is substantially identical to a recent Nasdaq Stock Market ("Nasdaq) rule change.<sup>6</sup>

Specifically, the Exchange proposes to amend the applicability section of IEX Rule 16.135(b)(1) to specify that any of the statements or representations regarding not just the description of the portfolio, but also of the reference assets, among other things,

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<sup>6</sup> See Securities Exchange Act Release No. 80810 (May 30, 2017), 82 FR 26205 (June 6, 2017) (SR-NASDAQ-2017-052)

will constitute continued listing requirements for listing of shares. This revision will conform the language to current criteria in IEX Rule 16.135(d)(2)(C)(iv) with respect to criteria for IEX to consider the suspension of trading and initiation of delisting proceedings of a series of Managed Fund Shares under the IEX Rule Series 14.500.<sup>7</sup>

The Exchange does not currently list any Managed Fund Shares.

## 2. Statutory Basis

IEX believes that the proposed rule change is consistent with Section 6(b)<sup>8</sup> of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>9</sup> 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.

The Exchange believes that the proposed change to amend the applicability section of IEX Rule 16.135(b)(1) to specify that any of the statements or representations regarding not just the description of the portfolio, but also of the reference assets, among other things, will constitute continued listing requirements for listing of shares will provide clarity and accurately reflect the intent of the rule to the benefit of investors and the public interest.

Accordingly, based on the foregoing, the Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act.

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<sup>7</sup> See Securities Exchange Act Release No. 80545 (April 27, 2017), 82 FR 20648 (May 3, 2017) SR-IEX-2017-03).

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

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. The Exchange believes that the proposed rule change may enhance competition since it addresses an inconsistency in the applicability of listing standards applicable to Managed Fund Shares.

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

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A)<sup>10</sup> of the Act and Rule 19b-4(f)(6)<sup>11</sup> thereunder. Because the 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) of the Act and Rule 19b-4(f)(6) thereunder.

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 necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

19(b)(2)(B)<sup>12</sup> of the Act to determine whether the proposed rule change 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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-IEX-2017-23 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-IEX-2017-23. This file number should be included in the subject line if email 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

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<sup>12</sup> 15 U.S.C. 78s(b)(2)(B).

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 Section, 100 F Street, NE, Washington, DC 20549-1090. Copies of the filing will also be available for inspection and copying at the IEX's principal office and on its Internet website at [www.iextrading.com](http://www.iextrading.com). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-IEX-2017-23 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.<sup>13</sup>

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<sup>13</sup> 17 CFR 200.30-3(a)(12).

## Exhibit 5 – Text of Proposed Rule Change

Proposed new language is underlined; proposed deletions are in brackets.

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## Rule 16.135 Managed Fund Shares

(a) No change.

(b) No change.

(1) IEX may approve Managed Fund Shares for listing and/or trading (including pursuant to unlisted trading privileges) pursuant to Rule 19b-4(e) under the Exchange Act. Components of a series of Managed Fund Shares listed pursuant to Rule 19b-4(e) shall satisfy the criteria set forth in this IEX Rule 16.135 upon initial listing and on a continual basis. IEX will file separate proposals under Section 19(b) of the Exchange Act before the listing and trading of a series of Managed Fund Shares with components that do not satisfy the criteria set forth in this IEX Rule 16.135(b)(1) or components other than those specified below. Any of the statements or representations regarding (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of IEX rules and surveillance procedures shall constitute continued listing standards.

(A) – (F) No change.

(2) – (5) No change.

(c) – (g) No change.

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