

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

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

Proposed rule change to make a correction to the Exchange Fee Schedule related to fees for executions that involve taking resting interest with non-displayed priority with a displayable order.

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 * Claudia	Last Name * Crowley
Title * Chief Regulatory Officer	
E-mail * claudia.crowley@iextrading.com	
Telephone * (646) 343-2041	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 08/07/2017	Chief Regulatory Officer
By Claudia Crowley	
(Name *)	

claudia.crowley@iextrading.com

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 *

Add Remove View

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 *

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, 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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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”),¹ and Rule 19b-4 thereunder,² Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to make a correction to the Exchange Fee Schedule related to fees for executions that involve taking resting interest with non-displayed priority with a displayable order. The Exchange proposes to implement the change beginning on September 1, 2017.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CRF 240.19b-4.

comments on the proposed rule change are:

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

The Exchange proposes to amend its Fee Schedule, pursuant to IEX Rule 15.110 (a) and (c), to make a correction related to the fees for executions that involve taking non-displayed resting interest with a displayable order. Subject to certain exceptions, the Exchange charges \$0.0009 per share (or 0.30% of the total dollar value of the transaction for securities priced below \$1.00) to Members for executions on IEX that include resting non-displayed interest³ for both the liquidity providing and liquidity removing order (the "Non-Displayed Match Fee").⁴ One exception relates to certain displayable orders that remove non-displayed liquidity upon entry. The Exchange Fee Schedule provides that the Non-Displayed Match Fee is not charged for displayable orders⁵ that remove non-displayed liquidity upon entry if, on a monthly basis, at least 90% of the liquidity removing Member's aggregate executed shares of displayable orders added liquidity

³ Non-displayed priority refers to an order or portion of a reserve order that is booked and ranked with non-display priority on the Order Book. See Rules 11.190(b)(3) and 11.190(b)(2).

⁴ This pricing is referred to by the Exchange as the "Non-Displayed Match Fee" on the Fee Schedule with a Fee Code of 'I' which is provided by the Exchange on execution reports.

⁵ See Rule 11.190(b)(3).

during the month in question.⁶

The Fee Schedule describes the calculation to determine if the Non-Displayed Match Fee is charged with reference to “TMVD” which means “total monthly volume displayable calculated as the sum of executions from the Member’s displayable orders during the calendar month.”⁷ However, the reference to a “Member’s” displayable orders was inadvertent, and should instead have referred to each of a Member’s market participant identifiers, or MPIDs, which is how the Exchange in practice has been calculating TMVD and thus determines whether the Non-Displayed Match Fee is applicable to particular executions.

Accordingly, the Exchange proposes to correct the IEX Fee Schedule to provide that TMVD means “total monthly volume displayable calculated as the sum of executions from each of the Member’s MPIDs (on a per MPID basis) displayable orders during the calendar month.” In addition, the Exchange proposes a clarifying amendment to the single asterisked footnote related to the Non-Displayed Match Fee to specify that the 90% calculation will be performed on a per MPID basis. Thus, the phrase “on a per MPID basis” would be added after the phrase “at least 90% of TMVD” in the footnote. Finally, the Exchange proposes to add a definition of MPID to the Fee Schedule.

With respect to the calculation of the Non-Displayed Match Fee and the applicable 90% threshold exception for executions of displayable orders that remove resting non-displayed liquidity upon entry, IEX reviewed Member invoices since its

⁶ However, in such transactions, the non-displayed liquidity adding interest will be subject to the Non-Displayed Match Fee. The Exchange also does not charge a fee where the adding and removing order originated from the same Exchange Member.

⁷ See IEX Fee Schedule.

launch as an exchange in August 2016 through June 30, 2017 to assess whether any Members were charged fees that differed from those described in the Fee Schedule. In other words, IEX recalculated the Non-Displayed Match Fee and the 90% threshold exception on a “per Member” basis (which is how the Fee Schedule currently reads) instead of on a “per MPID” basis (which is how IEX in practice had been calculating that fee). This assessment identified that nine Members were charged such differential fees in particular months, in some cases more than the fees described in the Fee Schedule and in some cases less than the fees described in the Fee Schedule. In total, seven Members were charged and paid \$18,948.54 in excess fees⁸ and eight Members were not charged \$44,175.28 in fees that should have been charged⁹. Five Members were overcharged and undercharged in different months.

In order to address the discrepancies, IEX will charge or credit each impacted member for the net amount overpaid or underpaid and will be included in the August 2017 monthly invoices to be sent in September 2017 pursuant to IEX Rule 15.120 notwithstanding that fees included thereof are for trading activity that occurred over prior months.¹⁰

The Exchange proposes to implement the revised fee on a going forward basis as of September 1, 2017, after which IEX will assess this fee on a MPID basis. Members will be charged for July and August based on the current Fee Schedule whereby the 90% calculation will be performed on a per Member basis, aggregating all of the Member’s

⁸ The range is from \$0.09 to 7811.66.

⁹ The range is from \$1.51 to \$29,482.12.

¹⁰ In the event that a Member owed a credit declines the credit, IEX will make a charitable donation in the amount of such credit.

MPIDs.

(b) Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b)¹¹ of the Act in general, and furthers the objectives of Sections 6(b)(4)¹² of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. In addition, the Exchange believes that it is consistent with the Act to correct the Fee Schedule so that the Fee Schedule is accurate, avoiding any potential confusion among Members. The Exchange further believes that the correction to the Fee Schedule is reasonable, equitable, and not unfairly discriminatory because all similar situated Members will be subject to the same fee structure.

The Exchange also believes that it is consistent with the Act and an equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities to measure whether the 90% threshold for adding liquidity with displayable orders is reached on an MPID basis. As explained in IEX's rule change adopting the exception to the Non-Displayed Match Fee, the flexibility is designed to address limited inadvertent liquidity removal by Members who are largely adding displayed liquidity and generally intend to add displayed liquidity on IEX, to further encourage aggressively priced displayed orders.¹³ The Exchange believes that Members that utilize multiple MPIDs generally use different MPIDs for different trading strategies

¹¹ 15 U.S.C. 78f.

¹² 15 U.S.C. 78f(b)(4).

¹³ See Securities Exchange Act Release No. 78550 (August 11, 2016), 81 FR 54873 (August 17, 2016) (SR-IEX-2016-09).

or customers. Therefore, the Exchange believes that measuring by MPIDs is a more precise manner of assessing whether a Member's trading strategy (or that of a customer) is largely adding displayed liquidity and generally intends to add displayed liquidity with displayable orders.

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 proposed rule change is designed to correct an inadvertent error rather than a competitive issue. The Exchange does not believe the proposed rule change will result on a burden on intramarket competition because all Members will be subject to the Non-Displayed Match Fee in the same manner on a fair and consistent basis. While different fees will be assessed in some circumstances, these different fees are not based on the type of Member entering the order and all Members can submit any type of order. Further, assessing whether the Non-Displayed Match Fee is applicable on a per MPID basis is intended to encourage market participants to enter aggressively priced displayed orders on the Exchange, which enhances price discovery and deepens the Exchange's liquidity pool to the benefit of all market participants. Further, the Exchange operates in a highly competitive environment in which market participants can readily favor competing venues if fee schedules at other venues are viewed as more favorable.

The Exchange also does not believe that the proposed rule change will result in any burden on intermarket competition because other venues are free to adopt comparable pricing.

5. 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.

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)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,¹⁴ IEX has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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.¹⁵

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

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

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

Not applicable.

¹⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁵ 15 U.S.C. 78s(b)(2)(B).

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.

Exhibit 5 – Text of Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34 -); File No. SR-IEX-2017-25)

Self-Regulatory Organizations: Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to make a Correction to the Exchange Fee Schedule Related to Fees for Executions that Involve Taking Resting Interest with Non-Displayed Priority with a Displayable Order.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ 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”),⁴ and Rule 19b-4 thereunder,⁵ Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Commission a proposed rule change to make a correction to the Exchange Fee Schedule related to fees for executions that involve taking resting interest with non-displayed priority with a displayable order. The Exchange proposes to implement the change beginning on September 1, 2017.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CRF 240.19b-4.

The text of the proposed rule change is available at the Exchange's website at 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

The Exchange proposes to amend its Fee Schedule, pursuant to IEX Rule 15.110 (a) and (c), to make a correction related to the fees for executions that involve taking non-displayed resting interest with a displayable order. Subject to certain exceptions, the Exchange charges \$0.0009 per share (or 0.30% of the total dollar value of the transaction for securities priced below \$1.00) to Members for executions on IEX that include resting non-displayed interest⁶ for both the liquidity providing and liquidity removing order (the "Non-Displayed Match Fee").⁷ One exception relates to certain displayable orders that remove non-displayed liquidity upon entry. The Exchange Fee Schedule provides that

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⁷ This pricing is referred to by the Exchange as the "Non-Displayed Match Fee" on the Fee Schedule with a Fee Code of 'I' which is provided by the Exchange on execution reports.

the Non-Displayed Match Fee is not charged for displayable orders⁸ that remove non-displayed liquidity upon entry if, on a monthly basis, at least 90% of the liquidity removing Member's aggregate executed shares of displayable orders added liquidity during the month in question.⁹

The Fee Schedule describes the calculation to determine if the Non-Displayed Match Fee is charged with reference to "TMVD" which means "total monthly volume displayable calculated as the sum of executions from the Member's displayable orders during the calendar month."¹⁰ However, the reference to a "Member's" displayable orders was inadvertent, and should instead have referred to each of a Member's market participant identifiers, or MPIDs, which is how the Exchange in practice has been calculating TMVD and thus determines whether the Non-Displayed Match Fee is applicable to particular executions.

Accordingly, the Exchange proposes to correct the IEX Fee Schedule to provide that TMVD means "total monthly volume displayable calculated as the sum of executions from each of the Member's MPIDs (on a per MPID basis) displayable orders during the calendar month." In addition, the Exchange proposes a clarifying amendment to the single asterisked footnote related to the Non-Displayed Match Fee to specify that the 90% calculation will be performed on a per MPID basis. Thus, the phrase "on a per MPID basis" would be added after the phrase "at least 90% of TMVD" in the footnote. Finally, the Exchange proposes to add a definition of MPID to the Fee Schedule.

With respect to the calculation of the Non-Displayed Match Fee and the

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⁹ However, in such transactions, the non-displayed liquidity adding interest will be subject to the Non-Displayed Match Fee. The Exchange also does not charge a fee where the adding and removing order originated from the same Exchange Member.

¹⁰ See IEX Fee Schedule.

applicable 90% threshold exception for executions of displayable orders that remove resting non-displayed liquidity upon entry, IEX reviewed Member invoices since its launch as an exchange in August 2016 through June 30, 2017 to assess whether any Members were charged fees that differed from those described in the Fee Schedule. In other words, IEX recalculated the Non-Displayed Match Fee and the 90% threshold exception on a “per Member” basis (which is how the Fee Schedule currently reads) instead of on a “per MPID” basis (which is how IEX in practice had been calculating that fee). This assessment identified that nine Members were charged such differential fees in particular months, in some cases more than the fees described in the Fee Schedule and in some cases less than the fees described in the Fee Schedule. In total, seven Members were charged and paid \$18,948.54 in excess fees¹¹ and eight Members were not charged \$44,175.28 in fees that should have been charged¹². Five Members were overcharged and undercharged in different months.

In order to address the discrepancies, IEX will charge or credit each impacted member for the net amount overpaid or underpaid and will be included in the August 2017 monthly invoices to be sent in September 2017 pursuant to IEX Rule 15.120 notwithstanding that fees included thereof are for trading activity that occurred over prior months.¹³

The Exchange proposes to implement the revised fee on a going forward basis as of September 1, 2017, after which IEX will assess this fee on a MPID basis. Members will be charged for July and August based on the current Fee Schedule whereby the 90%

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¹² The range is from \$1.51 to \$29,482.12.

¹³ In the event that a Member owed a credit declines the credit, IEX will make a charitable donation in the amount of such credit.

calculation will be performed on a per Member basis, aggregating all of the Member's MPIDs.

2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b)¹⁴ of the Act in general, and furthers the objectives of Sections 6(b)(4)¹⁵ of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. In addition, the Exchange believes that it is consistent with the Act to correct the Fee Schedule so that the Fee Schedule is accurate, avoiding any potential confusion among Members. The Exchange further believes that the correction to the Fee Schedule is reasonable, equitable, and not unfairly discriminatory because all similar situated Members will be subject to the same fee structure.

The Exchange also believes that it is consistent with the Act and an equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities to measure whether the 90% threshold for adding liquidity with displayable orders is reached on an MPID basis. As explained in IEX's rule change adopting the exception to the Non-Displayed Match Fee, the flexibility is designed to address limited inadvertent liquidity removal by Members who are largely adding displayed liquidity and generally intend to add displayed liquidity on IEX, to further encourage aggressively priced displayed orders.¹⁶ The Exchange believes that Members that utilize multiple MPIDs generally use different MPIDs for different trading strategies

¹⁴ 15 U.S.C. 78f.

¹⁵ 15 U.S.C. 78f(b)(4).

¹⁶ See Securities Exchange Act Release No. 78550 (August 11, 2016), 81 FR 54873 (August 17, 2016) (SR-IEX-2016-09).

or customers. Therefore, the Exchange believes that measuring by MPIDs is a more precise manner of assessing whether a Member's trading strategy (or that of a customer) is largely adding displayed liquidity and generally intends to add displayed liquidity with displayable orders.

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 proposed rule change is designed to correct an inadvertent error rather than a competitive issue. The Exchange does not believe the proposed rule change will result on a burden on intramarket competition because all Members will be subject to the Non-Displayed Match Fee in the same manner on a fair and consistent basis. While different fees will be assessed in some circumstances, these different fees are not based on the type of Member entering the order and all Members can submit any type of order. Further, assessing whether the Non-Displayed Match Fee is applicable on a per MPID basis is intended to encourage market participants to enter aggressively priced displayed orders on the Exchange, which enhances price discovery and deepens the Exchange's liquidity pool to the benefit of all market participants. Further, the Exchange operates in a highly competitive environment in which market participants can readily favor competing venues if fee schedules at other venues are viewed as more favorable.

The Exchange also does not believe that the proposed rule change will result in any burden on intermarket competition because other venues are free to adopt comparable pricing.

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 foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii)¹⁷ of the Act.

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)¹⁸ 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. Please include File Number SR-IEX-2017-25 on the subject line.

Paper Comments:

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁸ 15 U.S.C. 78s(b)(2)(B).

- 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-2017-25. 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 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. 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-2017-25 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.¹⁹

¹⁹ 17 CFR 200.30-3(a)(12).

Exhibit 5 – Text of Proposed Rule Change

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

Investors Exchange
Fee Schedule 201[6]7

Effective [August 19, 2016] September 1, 2017

Membership Fees -No Change.

Connectivity Fees -No Change.

Market Data Fees -No Change.

Transaction Fees

- All fees identify cost per share executed.
- Footnotes provide further explanatory text or, where annotated to fee description, indicate variable rate changes, provided the conditions in the footnote are met.
- To the extent a Member receives multiple Fee Codes on an execution, the lower fee shall apply.
- To the extent a Member qualifies for lower fees, pursuant to this Fee Schedule, the lower fees shall apply.

Definitions

- "Fee Code" is identified on each execution report message from the Exchange in the Trade Liquidity Indicator (FIX tag 9730) field.
- "Fee" means fees for securities with an execution price at or above \$1.00.
- "Fee < \$1.00" means fees for securities with an execution price below \$1.00.
- "MPID" means a market participant identifier
- "TDVT" means the total dollar value of the transaction calculated as the execution price multiplied by the number of shares executed in the transaction.
- "TMVD" means total monthly volume displayable calculated as the sum of executions from each of the Member's MPID's (on a per MPID basis) displayable orders during the calendar month.
- "Cost" means any fees charged by/rebates received from away venues.

Fee Code	Description	Fee	Fee < \$1.00
L	Displayed Match Fee	FREE	
	Taking Displayed Liquidity		
	Providing Displayed Liquidity		
I	Non-Displayed Match Fee	\$0.0009	0.30% of TDVT
	Taking Non-Displayed Liquidity*		
	Providing Non-Displayed Liquidity		
S	Internalization Fee	FREE	
	Member executes against resting liquidity provided by such Member		
Alpha	Routing and removing liquidity (all routing options)**	Cost + \$0.0001	

Footnotes

* \$0.0009 (0.30% of TDVT for < \$1.00), otherwise FREE if Taking Non-Displayed Liquidity with a Displayable Order and at least 90% of TMVD, on a per MPID basis, was identified by IEX as Providing Displayed Liquidity (i.e., the Member's execution reports reflect that the sum of executions with Fee Code L and a Last Liquidity Indicator (FIX tag 851) of '1' (Added Liquidity), divided by the sum of executions with Fee Code L, is at least 90% for the calendar month).

** The Exchange will pass-through in full any Costs to the Member and add the IEX fee (\$0.0001).

Registration and Processing Fees – No Change.