



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104499; File No. SR-IEX-2025-37]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt Common Criteria and Procedures for Halting and Resuming Trading in Equity Securities

December 23, 2025.

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 December 18, 2025, 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 and II 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 Act,⁴ and Rule 19b-4 thereunder,⁵ the Exchange is filing with the Commission a proposed rule amendment to adopt common criteria and procedures for halting and resuming trading in equity securities in the event of regulatory or operational issues, reorganize the text of the current relevant rules, and make conforming changes to related rules.

The Exchange has designated this proposed rule change as “non-controversial” under

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 CFR 240.19b-4.

Section 19(b)(3)(A) of the Act⁶ and provided the Commission with the notice required by Rule 19b-4(f)(6) thereunder.⁷

The text of the proposed rule change is available at the Exchange's website at <https://www.iexexchange.io/resources/regulation/rule-filings> and at the principal office of the Exchange.

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 statements 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 is a participant of the transaction reporting plan⁸ governing Tape C Securities ("Nasdaq UTP Plan")⁹, and the transaction reporting plan governing Tape A and B Securities ("CTA Plan")¹⁰ (collectively, with the CQ Plan¹¹, the "SIP Plans"). In tandem with all other national securities exchanges that trade equities securities, and in conjunction with the

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4.

⁸ Each transaction reporting plan has a securities information processor ("SIP") responsible for consolidation of information for the plan's securities, pursuant to Rule 603 of Regulation NMS.

⁹ Nasdaq UTP Plan refers to the transaction reporting plan for Nasdaq-listed securities that is known as The Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis.

¹⁰ CTA Plan refers to the transaction reporting plan for NYSE-listed securities (Tape A) and all non-NYSE or non-Nasdaq listed securities (Tape B).

¹¹ CQ Plan refers to the plan for the dissemination on a current and continuous basis of bid and asked quotations and quotation sizes of Tape B and Tape C securities.

adoption of amendments to the Nasdaq UTP Plan¹² and comparable amendments to the CTA and CQ Plans¹³, which were proposed by the Participants of both plans (collectively, the “SIP Plan Amendments”), the Exchange hereby proposes to amend its current Rules 11.271 and 11.280 to integrate several definitions and concepts from the SIP Plan Amendments and to reorganize several rules in light of the Exchange’s experience with applying the rules as a national securities exchange.¹⁴ The rules set forth the Exchange’s authority to halt trading under various circumstances.

Although IEX’s rules relating to listing of securities remain in effect, IEX is currently not acting in the capacity of a “Primary Listing Market”, as defined in the Amended UTP and Amended CTA/CQ Plans with respect to any security, and therefore this proposal provides the Exchange with more limited authority to declare Regulatory Halts than exchanges that operate as a Primary Listing Market.¹⁵

As part of this proposed rule change, IEX, like other exchanges, is proposing to move its rules relating to Trading Halts Due to Extraordinary Market Volatility (the Market Wide Circuit

¹² On February 11, 2021, the Nasdaq UTP Plan participants filed Amendment 50 to the Plan, to revise provisions governing regulatory and operational halts. See Letter from Robert Brooks, Chairman, UTP Operating Committee, Nasdaq UTP Plan, to Vanessa Countryman, Secretary, Securities and Exchange Commission, dated February 11, 2021. The Nasdaq UTP Plan subsequently filed two partial amendments to the 50th Amendment, on March 31, 2021 and on April 7, 2021. The Commission approved the amendments on May 28, 2021. See Securities Exchange Act Release 92071 (May 28, 2021), 86 FR 29846 (June 3, 2021) (S7-24- 89) (the “Amended UTP Plan”). The Amended Nasdaq UTP Plan includes provisions requiring participant self-regulatory organizations (“SROs”) to honor a Regulatory Halt declared by the Primary Listing Market.

¹³ On February 3, 2021, the CTA/CQ Plan participants (collectively with the Nasdaq UTP Plan participants referred to herein as “Participants”) filed Amendment 36 to the Second Restatement of the CTA Plan and Amendment 27 to the Restated CQ Plan, to revise provisions governing regulatory and operational halts. See Letter from Robert Books, Chair, CTA/CQ Operating Committee, to Vanessa Countryman, Secretary, Securities and Exchange Commission, dated February 3, 2021. The Commission approved the amendments on May 28, 2021 (the “Amended CTA/CQ Plan”). See Securities Exchange Act Release No. 92070 (May 28, 2021), 86 FR 29849 (June 3, 2021) (SR-CTA/CQ-2021-01).

¹⁴ This proposed rule change is based on similar rule changes filed by several exchanges that do not operate Primary Listing Markets. See Securities Exchange Act Release Nos. 96574 (December 22, 2022), 87 FR 80213 (December 29, 2022) (SR-Phlx-2022-49); 97093 (March 9, 2023), 88 FR 16045 (March 15, 2023) (SR-PEARL-2023-11); 97824 (June 29, 2023), 88 FR 43159 (July 6, 2023) (SR-MEMX-2023-11); 103698 (August 13, 2025), 90 FR 40108 (August 18, 2025) (SR-NYSE-NAT-2025-17).

¹⁵ See, e.g., Securities Exchange Act Release Nos. 95069 (June 8, 2022), 87 FR 36018 (June 14, 2022) (SR-NASDAQ-2022-017), 102810 (April 10, 2025), 90 FR 16041 (April 16, 2025) (SR-NYSE-AMER-2025-19), 103356 (June 30, 2025) (SR-NYSE-2025-21), 103476 (July 16, 2025), 90 FR 34314 (July 21, 2025) (SR-NYSE-ARCA-2025-50).

Breaker or “MWCB”), currently IEX Rules 11.280(a)-(d) and (i)-(k), to Rule 11.271. IEX is also proposing to delete the current text in its current Rule 11.271 (Trading Halts), because those rules are being replaced with the rules in proposed Rule 11.280 (Limit Up-Limit Down Plan and Trading Halts on the Exchange). These changes will better align IEX’s MWCB, Limit Up-Limit Down Plan and Trading Halts rules with those of other exchanges for clarity and organizational purposes.¹⁶ As described below, IEX also proposes to remove Rule 16.170 and make conforming edits related to these changes in Rules 11.230, 11.231, 11.350, 16.111, and 16.160.

Background

As a Participant in the SIP Plans, the Exchange worked with the other Participants to establish and implement common criteria and procedures for halting and resuming trading in equity securities in the event of regulatory or operational issues. These common standards were designed so that market events which might impact multiple exchanges are handled in a consistent and transparent manner. The Exchange believes that implementation of these common standards will promote the SROs’ role in maintaining fair and orderly markets, protecting investors and furthering the public interest. Notwithstanding the development of these common standards, the Exchange will retain discretion in certain instances as to whether and how to handle halts, as discussed below.

Every U.S.-listed equity security has its primary listing on a specific stock exchange that is responsible for a number of regulatory functions.¹⁷ These include confirming that the security continues to meet the exchange’s listing standards, monitoring trading in that security and taking action to halt trading in the security when necessary to protect investors and to ensure a fair and orderly market. While these core responsibilities remain with the Primary Listing Market, trading

¹⁶ See, e.g., MEMX Rules 11.22 (Trading Halts Due to Extraordinary Market Volatility) and 11.23 (Limit Up-Limit Down Plan and Trading Halts on the Exchange).

¹⁷ IEX is proposing to adopt Primary Listing Market as a new definition having the same meaning as in the Amended Nasdaq UTP Plan, Section X(A)(8) and in the Amended CTA Plan Section XI(a)(i)(H). Each of those sections define Primary Listing Market as “the national securities exchange on which an Eligible Security is listed. If an Eligible Security is listed on more than one national securities exchange, Primary Listing Market means the exchange on which the security has been listed the longest.”

in the security can occur on multiple exchanges that have unlisted trading privileges for the security or in the over-the-counter market, regulated by the Financial Industry Regulatory Authority, Inc. (“FINRA”).

The exchanges and FINRA are responsible for monitoring activity on the markets over which they have oversight but also must adhere to the regulatory decisions made by the Primary Listing Market with respect to its listed securities. For example, a venue trading a security pursuant to unlisted trading privileges must halt trading in that security during a Regulatory Halt¹⁸, which is a defined term under the proposed rules, and may only trade the security once the Primary Listing Market has cleared the security to resume trading. While the Exchange and the other SROs intend to harmonize certain aspects of their trading halt rules, other elements of the rules will continue to be unique to each market. The Exchange believes that this is appropriate to reflect the different products listed or traded on each market. The Exchange will implement all of the changes proposed herein in conjunction with other SROs implementing the necessary changes. The Exchange will publish a trading alert at least 30 days prior to implementing the proposed changes.

Definitions

The Exchange proposes adding a new definition for “UTP Exchange Traded Products”¹⁹ to Rule 1.160 (Definitions), which will match the definitions used by other exchanges.²⁰ Additionally, the Exchange proposes adding a definitions section as Rule 11.280(a) to consolidate the various definitions that will be used with respect to trading halts, several of which are taken from the Amended Nasdaq UTP Plan and the Amended CTA Plan after the SIP Plan Amendments (“SIP Plans”). Specifically, the Exchange is also proposing to adopt the following terms from the SIP Plans: “Operating Committee,” “Operational Halt,” “Processor” or

¹⁸ See proposed Rule 11.280(a)(10).

¹⁹ See proposed Rule 1.160(rr). The Exchange also proposes to renumber current Rule 1.160(rr), which defines the term “UTP Security” to be Rule 1.160(ss).

²⁰ See, e.g., MEMX Rule 1.5(kk).

“SIP,” “Regular Trading Hours,” “SIP Halt,” and “SIP Halt Resume Time.” The definitions of “UTP Exchange Traded Product,” “Pre-Market Session,” and “Post-Market Session” are included in the definitions section with cross-references to their current and proposed definitions in Rule 1.160.²¹

The Exchange also proposes to add definitions of “Trust Shares,” “Index Fund Shares,” “Managed Fund Shares,” and “Trust Issued Receipts,” as subcategories to the defined term UTP Exchange Traded Product, and those terms will have the same meanings as those found in the rules of other exchanges, which were adopted in response to the SIP Plan Amendments.²²

As described above, the Exchange proposes to adopt the definition of “Primary Listing Market” that is found in the SIP Plans.²³ As is currently the case under the SIP Plans, all Regulatory Halt decisions are made by the market on which the security has its primary listing. This reflects the regulatory responsibility that the Primary Listing Market has for fair and orderly trading in the securities that list on its market and its direct access to its listed companies, which are required to advise it of certain events and maintain lines of communication with the Primary Listing Market. The proposed definition makes clear that if a security is listed on more than one market (a dually-listed security), the Primary Listing Market means the exchange on which the security has been listed the longest. This provision matches language used in the definition of “Primary Listing Exchange” in the Limit-Up Limit-Down Plan and will avoid conflict in the event of dually-listed securities.

The Exchange is also proposing to adopt a definition of the term “Extraordinary Market Activity”²⁴ that would represent a modified version of the term’s definitions in the Amended

²¹ See Rule 1.160(z) and proposed Rule 1.160(rr).

²² See Nasdaq PHLX Rules 3100(b)(1)(A)-(D); MEMX Rules 11.22(a)(1)(A)-(D).

²³ See *supra* note 17.

²⁴ The term “Extraordinary Market Activity” was never specifically defined in IEX’s rules, although it was described by way of a few examples in the rules IEX now proposes to delete as part of this filing. See IEX Rule 11.280(g)(6)(A) and (B).

UTP Plan and the Amended CTA Plan,²⁵ but which is consistent with recent rule filings of other exchanges.²⁶ Specifically, the Exchange proposes to define “Extraordinary Market Activity” without the concept of a “market-wide basis” because the term would only be used in the Exchange’s rules as a basis for the Exchange. Thus, the Exchange proposes to define Extraordinary Market Activity as follows:

a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, transaction information, or regulatory messages for a sustained period.²⁷

The third set of new proposed definitions would be specific to events involving the SIP. Specifically, the Exchange is also proposing to adopt the following terms from the SIP Plans: “Operating Committee,” “Operational Halt,” “Processor” or “SIP,” “Regular Trading Hours,” “SIP Halt,” and “SIP Halt Resume Time.”

While the Exchange recognizes that many events involving the SIP would also meet the definition of “Extraordinary Market Activity” (as defined in the SIP Plans), the Exchange believes that the critical role of the SIPs in market infrastructure factors in favor of additional guidance on how such events will be handled. The definitions of “SIP Halt Resume Time” and “SIP Halt” are intended to provide additional guidance to address this subset of potential market issues. In addition, the Exchange is proposing to define terms related to SIP governance needed in order to understand these definitions:

²⁵ See Amended Nasdaq UTP Plan Section X.A.1; Amended CTA Plan, Section XI(a)(i)(H).

²⁶ See Securities Exchange Act Release No. 97824 (June 29, 2023), 88 FR 43159 (July 6, 2023) (SR-MEMX-2023-11).

²⁷ See proposed Rule 11.280(a)(2).

- “Processor” or “SIP”²⁸ have the same meaning as the terms set forth in the SIP Plans, namely the entity selected by the Participants to perform the processing functions set forth in the Plan. These terms may be used to apply to the processor for transactions in Tape A and B securities or the processor for transactions in Tape C securities.
- “SIP Plan”²⁹ means each of the national market system plans governing the SIPs, as applicable. Specifically, SIP Plan refers to any or all of the following national market system plans governing the collection, consolidation, and dissemination of quotation and transaction information for NMS stocks: i) the “Nasdaq UTP Plan”; ii) the Consolidated Tape Association and Consolidated Quotation Plan (“CTA/CQ Plan”); or the “CT Plan”.³⁰
- “Operating Committee”³¹ has the same meaning as in each respective SIP Plan.

The Exchange is proposing to adopt a category of Regulatory Halt, called a “SIP Halt,”³² which will have the same meaning as that term is defined in the SIP Plans, namely “a Regulatory Halt to trading in one or more securities that a Primary Listing Market declares in the event of a SIP Outage or Material SIP Latency.”³³ This new category of Regulatory Halt will address situations where the Primary Listing Market declares a Regulatory Halt in one or more securities as a result of a SIP outage³⁴ or material SIP latency.³⁵

²⁸ See proposed Rule 11.280(a)(9).

²⁹ See proposed Rule 11.280(a)(3).

³⁰ The CT Plan was approved in November 2024 to become the successor to and replacement for the Nasdaq UTP Plan and the CTA/CQ Plans. See Securities Exchange Act Release No. 101672 (November 20, 2024), 89 FR 94924 (November 29, 2024) (File No. 4-757). The CT Plan is expected to begin disseminating quote and trade data in the second quarter of 2027. See CT Plan FAQs, available at <https://thectplanllc.com/faqs/>.

³¹ See proposed Rule 11.280(a)(3).

³² See proposed Rule 11.280(a)(12).

³³ See Amended Nasdaq UTP Plan Section X(A)(11); Amended CTA Plan, Section XI(a)(i)(K).

³⁴ A SIP outage means a situation in which the Processor has ceased, or anticipates being unable, to provide updated and/or accurate quotation or last sale price information in one or more securities for a material period that exceeds the time thresholds for an orderly failover to backup facilities established by mutual agreement among the Processor, the Primary Listing Market for the affected securities, and the Operating Committee unless the Primary Listing Market, in consultation with the Processor and the Operating Committee, determines that resumption of accurate data is expected in the near future. See Amended Nasdaq UTP Plan, Section X(A)(13); Amended CTA Plan, Section XI(a)(i)(M).

³⁵ A material SIP latency means a delay of quotation or last sale price information in one or more securities between the time data is received by the Processor and the time the Processor disseminates the data over the Processor’s vendor lines, which delay the Primary Listing Market determines, in consultation with, and in accordance with, publicly disclosed guidelines established by the Operating Committee, to be (a) material and (b) unlikely to be resolved in the near future. See Amended Nasdaq UTP Plan, Section X(A)(5); Amended CTA Plan, Section XI(a)(i)(E).

Fourth, the Exchange proposes to add a definition of “Regulatory Halt,”³⁶ which would be a new defined term that incorporates the Exchange’s existing regulatory halt authority as well as the proposed new regulatory halt authority. The Exchange proposes that the term would have the same meaning as in the SIP Plans as follows:

a halt declared by the Primary Listing Market in trading in one or more securities on all Trading Centers for regulatory purposes, including for the dissemination of material news, news pending, suspensions, or where otherwise necessary to maintain a fair and orderly market. A Regulatory Halt includes a trading pause triggered by Limit Up Limit Down, a halt based on Extraordinary Market Activity, a trading halt triggered by a Market-Wide Circuit Breaker, and a SIP Halt.³⁷

The Exchange proposes to add a definition of “Operational Halt,”³⁸ which is defined as having the same meaning as in the SIP Plans.³⁹ Specifically, the Exchange is proposing to define Operational Halt to mean a halt in trading in one or more securities only on the market declaring the halt and is not a Regulatory Halt. An Operational Halt is effective only on the Exchange; other markets are not required to halt trading in the impacted securities. In practice, the Exchange has always had the capacity to implement operational halts in specified circumstances.⁴⁰ The proposed change would provide greater clarity on when an Operational Halt may be implemented and the process for halting and resuming trading in the event of an Operational Halt. An Operational Halt is not a Regulatory Halt.

Regulatory Halt

Proposed Rule 11.280(b)(1)(A)(i)-(iv) includes four situations in which the Exchange must halt trading pursuant to a Regulatory Halt: under the Limit Up-Limit Down Plan, pursuant to Extraordinary Market Volatility (Market-Wide Circuit Breakers), when the Primary Listing Market declares a SIP halt, or when the Primary Listing Market declares a trading halt based on

³⁶ See proposed Rule 11.280(a)(10).

³⁷ Id.

³⁸ See proposed Rule 11.280(a)(5).

³⁹ See Amended Nasdaq UTP Plan, Section X(A)(7); Amended CTA Plan, Section XI(a)(i)(G).

⁴⁰ See Rule 11.110(c) and Rule 11.280(d).

Extraordinary Market Activity, as defined in the SIP Plans. Proposed Rule 11.280(b)(1)(A)(i) retains without substantive modification the existing rule with respect to the Limit Up-Limit Down Plan (current Rule 11.280(e)). The Exchange, currently acting as a non-Primary Listing Market, does not itself declare trading pauses pursuant to the Limit Up-Limit Down Plan, but rather implements such pauses declared by Primary Listing Markets. The Exchange proposes to make clear in Rule 11.280(b)(1)(A)(ii) that a trading halt pursuant to Extraordinary Market Volatility (Market-Wide Circuit Breakers), as is described in proposed Rule 11.271, constitutes a Regulatory Halt. The Exchange would also add subsections concerning Regulatory Halts declared by Primary Listing Markets based on a SIP halt or Extraordinary Market Activity in Rule 11.280(b)(1)(A)(iii). As is the case under the current Rule 11.280(e), the Exchange would honor a Regulatory Halt. The Exchange proposes to add Rule 11.280(b)(1)(A)(iv), which states that the Exchange will halt trading for any security traded on the Exchange when the Primary Listing Market declares a Regulatory Halt for any such security. The Exchange also proposes to add Rule 11.280(b)(1)(A)(iv)(a), which makes clear that the start time of a Regulatory Halt is the time the Primary Listing Market declares the Regulatory Halt, regardless of whether communications issues impact the dissemination of notice of the Halt. This provision is consistent with the SIP Plans⁴¹ and would provide market participants with certainty on the official start time of the Regulatory Halt. Under the proposed rule, the start time is fixed by the Primary Listing Market; it is not dependent on whether notice is disseminated immediately. This will avoid possible disagreement if the Regulatory Halt time were tied to dissemination or receipt of notification, which may occur at different times. The Exchange recognizes that in situations where communication is interrupted, trades may continue to occur until news of the Regulatory Halt reaches all trading centers. However, a fixed “official” Regulatory Halt time will allow SROs to revisit trades after the fact and determine in a consistent manner whether specific trades

⁴¹ See Amended Nasdaq UTP Plan X(D)(1) and Amended CTA Plan Section XI(a)(iv)(A).

should stand.

Resumption of Trading After a Regulatory Halt

The SROs have jointly developed processes to govern the resumption of trading in the event of a Regulatory Halt. While the actual process of re-launching trading will remain unique to each exchange, the proposed rule would harmonize certain common elements of the reopening process that would benefit from consistency across markets. These common elements include the primacy of the Primary Listing Market in resumption decisions, the requirement that the Primary Listing Market make its determination to resume trading in good faith⁴², and certain parts of the complex process of reopening trading after a SIP Halt. With respect to a SIP Halt, common elements of the reopening process include the interaction among SROs (including the Primary Listing Market with the SIP), the requirement that the Primary Listing Market terminate a SIP Halt with a notification that specifies a SIP Halt Resume Time, the minimum quoting times before resumption of trading, the cutoff time after which trading would not resume during Regular Trading Hours, and the time when trading may resume if the Primary Listing Market does not open a security within the amount of time specified in its rules after the SIP Halt Resume Time.

Proposed Rule 11.280(b)(2) provides the process to be followed when resuming trading upon the conclusion of a Regulatory Halt. The new rule, which incorporates Sections X(E) and X(F) of the Amended Nasdaq UTP Plan and Sections XI(a)(v) and XI(a)(vi), is divided into the following two subsections concerning resumption of trading: (A) after a Regulatory Halt other than a SIP Halt; and (B) after a SIP Halt. Proposed Rule 11.280(b)(2)(A)(i) provides that, for a Regulatory Halt other than a SIP Halt, the Exchange may resume trading subject to the Regulatory Halt after the Exchange receives notification from the Primary Listing Market that the Regulatory Halt has been terminated. The Exchange does not conduct halt crosses and,

⁴² See Amended Nasdaq UTP Plan X(E)(1) and Amended CTA Plan Section XI(a)(v)(A).

therefore, the resumption of trading in these securities will occur once notice from the Primary Listing Market is received. Proposed Rule 11.280(b)(2)(B)(i) provides that, for securities subject to a SIP Halt initiated by another exchange that is the Primary Listing Market, during Regular Trading Hours, the Exchange may resume trading after trading has resumed on the Primary Listing Market or notice has been received from the Primary Listing Market that trading may resume. During Regular Trading Hours, if the Primary Listing Market does not open a security within the amount of time specified by the rules of the Primary Listing Market after the SIP Halt Resume Time, the Exchange may resume trading in that security. Outside Regular Trading Hours, the Exchange may resume trading immediately after the SIP Halt Resume Time.⁴³ Proposed Rule 11.280(b)(2) is consistent with current practice.

Proposed Rule 11.280(b)(3) retains without substantive modification existing Rule 11.271. Proposed Rule 11.280(b)(3) states that on the occurrence of any Regulatory Halt pursuant to this Rule all outstanding orders in the System will be cancelled, the Exchange will not accept new orders, and at the end of the Regulatory Halt, the Exchange shall re-open the security and again begin accepting orders. Lastly, consistent with Section X(G) of the Nasdaq UTP Plan and Section XI(a)(vii) of the CTA Plan, the Exchange proposes to add Rule 11.280(c), which will more broadly require the Exchange to halt trading of a UTP security if the Primary Listing Market declares a Regulatory Halt in that security, and more specifically, governs trading halts in certain Exchange Traded Products traded on the Exchange pursuant to unlisted trading privileges during pre-market, regular trading hours, and post-market sessions.

Operational Halt

The Exchange proposes in Rule 11.280(d) to address Operational Halts, which are non-regulatory in nature and apply only to the exchange that calls the halt. As described above, the Exchange has always had the capacity to implement operational halts and local trading

⁴³ See Amended Nasdaq UTP Plan X(F)(3) and Amended CTA Plan Section XI(a)(vi)(C).

suspensions in specified circumstances, but such halts are not currently referred to as “operational halts” in the Exchange’s rules.⁴⁴ As part of the Exchange’s assessment with the other SROs of the halting and resumption of trading, the Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. In part, the proposed change is designed to cover situations similar to those that might constitute a Regulatory Halt, but where the impact is limited to a single market. For example, just as a market disruption might trigger a Regulatory Halt for Extraordinary Market Activity (as defined in the SIP Plans) if it affects multiple markets, so too a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers. Proposed Rule 11.280(d) would authorize the Exchange to implement an Operational Halt for any security trading on the Exchange:

- if it is experiencing Extraordinary Market Activity⁴⁵ on the Exchange; or
- when otherwise necessary to maintain a fair and orderly market or in the public interest.

Proposed Rule 11.280(d)(2) provides the process for initiating an Operational Halt.

Under the proposed rule, on the occurrence of any Operational Halt all outstanding orders in the System will be cancelled. Further, the Exchange must notify the SIP if it has concerns about its ability to collect and transmit Quotation Information or Transaction Reports, or if it has declared an Operational Halt or suspension of trading in one or more Eligible Securities, pursuant to the

⁴⁴ See, e.g., Rule 11.110(c). The Exchange also notes that its proposed Rule 11.280(d) regarding Operational Halts is substantially identical to the rules introduced by other exchanges in their filings responding to the SIP Amendments and is therefore not novel. See *supra* note 14.

⁴⁵ “Extraordinary Market Activity” in proposed Rule 11.280(d) would have the meaning proposed by the Exchange, which as noted above is a modified form of the definitions in the SIP Plans.

procedures adopted by the Operating Committee.

Proposed Rule 11.280(d)(3) will clarify how the Exchange resumes trading after an Operational Halt. Proposed Rule 11.280(d)(3)(A) provides that the Exchange would resume trading after an Operational Halt when it determines that trading may resume in a fair and orderly manner consistent with the Exchange's rules. Proposed Rule 11.280(d)(3)(B) provides that orders entered during the Operational Halt will not be accepted. Proposed Rule 11.280(d)(3)(C) provides that trading in a halted security shall resume at the time specified by the Exchange in a notice. Proposed Rule 11.280(d)(3)(C) also specifies that the Exchange will notify all other Participants and the SIP of such an Operational Halt as well as provide notice that an Operational Halt has been lifted using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. If the SIP is unable to disseminate notice of an Operational Halt or the Exchange is not open for trading, the Exchange will take reasonable steps to provide notice of an Operational Halt, which shall include both the type and start time of the Operational Halt. Each Participant shall continuously monitor communication protocols established by the Operating Committee and the Processor during market hours to disseminate notice of an Operational Halt, and the failure of a Participant to do so shall not prevent the Exchange from initiating an Operational Halt.

Trading Halts Due to Extraordinary Market Volatility

Additionally, the Exchange proposes moving the Trading Halts Due to Extraordinary Market Volatility (MWCB) rules that are currently in Rule 11.280 to their own separate rule, proposed Rule 11.271. As proposed, MWCB halts, which fall under the category of Regulatory Halts, are cross referenced in proposed Rule 11.280(b)(i)(A)(ii). The text of the proposed Rule 11.271 does not materially differ from what is currently in found in IEX Rules 11.280(a)-(d)⁴⁶ and (i)-(k).⁴⁷ The Exchange believes separating this text from Rule 11.280 is appropriate in order

⁴⁶ These provisions outline the processes related to MWCB halts.

⁴⁷ These provisions outline the processes related to MWCB testing.

to remain consistent with similar rule filings proposed by other Exchanges.⁴⁸

Conforming Changes to Other Rules

The Exchange proposes to make the following conforming changes to other rules, in addition to any changes described above.⁴⁹ Other conforming edits IEX proposes to make are as follows:

- In Rule 11.230(a)(3) (Order Execution), add “Plan” at the end of the phrase “Limit Up-Limit Down”. IEX proposes this change so that the Rule Book is consistent in how it refers to the Limit Up-Limit Down Plan.
- In Rule 11.231(e) (Regular Market Session Opening Process for Non-IEX-Listed Securities), replace a reference to Rule 11.271 with a reference to Rule 11.280. The reference is to the authority to reject orders submitted during a trading halt, which under this proposal will now be found in Rule 11.280.
- As described above, IEX proposes to rearrange Rules 11.271 (Trading Halts) and Rule 11.280 (Limit Up-Limit Down Plan and Trading Halts), such that the MWCB rules will move from Rule 11.271, and current rule 11.271 will be replaced with the trading halts rules described above in Rule 11.280.
- In Rule 11.350 (Auctions), change references to Rule 11.280(e) (Limit Up-Limit Down Mechanism) and Rule 11.280(h) (Procedure for Initiating and Terminating a Trading Halt) to refer to Rule 11.280 in general, which contains several rules relating to the Limit Up-Limit Down Plan and corresponding trading halts. Specifically, IEX proposes to make the following changes:
 - In Rule 11.350(a)(1)(E)(i), change the reference to Rule 11.280(e) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(6)(A)(i), change the reference to Rule 11.280(h)(9) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(6)(B), change the reference to Rule 11.280(h)(9) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(7)(A)(i), change the reference to Rule 11.280(h)(9) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(7)(B), change the reference to Rule 11.280(h)(9) to instead refer to Rule 11.280.
 - In Rule 11.350(a)(9)(G), change the reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.

⁴⁸ See, e.g., MEMX Rule 11.22(b)(i)(A)(ii), which like proposed IEX Rule 11.280(b)(i)(A)(ii) refers to the separate MWCB rule (MEMX Rule 11.23 and proposed IEX Rule 11.271).

⁴⁹ See, e.g., *supra* note 19 (describing the proposed addition of a definition for UTP Exchange Traded Products to Rule 1.160 and the renumbering of the rule).

- In Rule 11.350(a)(9)(H), change the reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.
- In Rule 11.350(a)(9)(I), change the reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.
- In Rule 11.350(d)(2)(D), change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(e), change the references to Rules 11.280(h)(9) and 11.280(g)(1), (4), or (5) (Authority to Initiate Trading Halts) to instead refer to Rule 11.280.
- In Rule 11.350(e)(2)(B)(iii), change the reference to Rule 11.280(h)(8)(C) to instead refer to Rule 11.280.
- In Supplementary Material .01 to Rule 11.350(e), change the two references to Rule 11.280(h)(9) and the one reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.
- In Supplementary Material .02 to Rule 11.350(e), change the two references to Rule 11.280(h)(9) and the one reference to Rule 11.280(h)(8) to instead refer to Rule 11.280.
- In Rule 11.350(f), change the reference to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(f)(1)(A) change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(f)(2)(C)(iii) change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(f)(3) change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(f)(3)(A)(iii) change the two references to Rule 11.280(e) to instead refer to Rule 11.280.
- In Rule 11.350(a)(29)(B), change the reference to Rule 11.280(a)(1)-(3) (talking about Level 1 or Level 2 market declines that trigger the MWCB) to cite to Rule 11.280(a)(1)-(3), which is the new location of the relevant MWCB rules.
- In Rule 16.111 (Trading of Certain Derivative Securities), change the reference to the MWCB in Rule 16.111(i)(5)(B)(ii) that refers to Rule 11.280 to instead refer to Rule 11.271.
- In Rule 16.111(j)(6)(B)(v), add IEX Rule 11.271 to the list of rules under which IEX may halt trading in a security and remove Rule 16.170 from the list. As described below, IEX is proposing to delete Rule 16.170.
- In Rule 16.160 (Derivative Securities Traded under Unlisted Trading

Privileges), make the following conforming edits:

- In the first sentence of the opening paragraph, change the word “security” to “UTP Security (see IEX Rule 1.160(ss),” for clarity.
- In Rule 16.160(a), change the words “Derivative Security” to read ““UTP Exchange Traded Product’ as defined in IEX Rule 1.160(rr)” for clarity.
- In Rule 16.160(a)(1), change the two references to “UTP Derivative Security” to read “UTP Exchange Traded Product” for clarity.
- In Rule 16.160(a)(2), change the one reference to “UTP Derivative Security” to read “UTP Exchange Traded Product” and the eight references to “UTP Derivative Securities” to read “UTP Exchange Traded Products” for clarity.
 - Also in Rule 16.160(a)(2), IEX proposes to replace the three brackets surrounding text with {braces} to reduce the confusion caused in rule filings by having bracketed text that is not intended to be deleted. The quoted text will now read as follows:
 - "A circular describing the terms and characteristics of {the UTP Exchange Traded Products} has been prepared by the {open-ended management investment company name} and is available from your broker. It is recommended that you obtain and review such circular before purchasing {the UTP Exchange Traded Products}."
- In Rule 16.160(a)(3), change the reference to “UTP Derivative Securities” to read “UTP Exchange Traded Products” for clarity. Additionally, add IEX Rule 11.271 to the list of rules under which IEX may halt trading in a security and remove Rule 16.170 from the list. As described below, IEX is proposing to delete Rule 16.170.
- In Rule 16.160(a)(4), change the reference to “UTP Derivative Security” to read “UTP Exchange Traded Product” for clarity.
- In Rule 16.160(a)(5), change the reference to “UTP Derivative Security” to read “UTP Exchange Traded Product” for clarity.

Finally, as noted above, IEX is proposing to delete Rule 16.170 (Trading Halts for Trading of Certain Derivative Securities Products on IEX Pursuant to Unlisted Trading Privileges). As described above, proposed Rule 11.280 contains a thorough breakdown of the types of Regulatory and Operational Halts that may be called for a derivative security trading on IEX pursuant to unlisted trading privileges. The language in Rule 16.170 is therefore rendered

obsolete by the introduction of the halt rules in Rule 11.280, and IEX proposes to remove this rule because it no longer accurately reflects the circumstances in which IEX may halt trading in a derivative security trading pursuant to unlisted trading privileges and could cause confusion if it remained in the Rule Book.

2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.⁵⁰ Specifically, the proposal is consistent with Section 6(b)(5) of the Act⁵¹ because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest.

As described above, the Exchange and other SROs are seeking to adopt harmonized rules related to halting and resuming trading in U.S.-listed equity securities. The Exchange believes that the proposed rules will provide greater transparency and clarity with respect to the situations in which trading will be halted and the process through which that halt will be implemented and terminated. Particularly, the proposed changes seek to achieve consistent results for market participants across U.S. equities exchanges while maintaining a fair and orderly market, protecting investors and protecting the public interest. Based on the foregoing, the Exchange believes that the proposed rules are consistent with Section 6(b)(5) of the Act⁵² because they will foster cooperation and coordination with persons engaged in regulating and facilitating transactions in securities.

The Exchange further believes that the various provisions of the proposed rules that will apply to all SROs are focused on the type of cross-market event where a consistent approach will

⁵⁰ 15 U.S.C. 78f(b).

⁵¹ 15 U.S.C. 78f(b)(5).

⁵² 15 U.S.C. 78f(b)(5).

assist market participants and reduce confusion during a crisis. Because market participants often trade the same security across multiple venues and trade securities listed on different exchanges as part of a common strategy, the Exchange believes that the proposed rules will lessen the risk that market participants holding a basket of securities will have to deal with divergent outcomes depending on where the securities are listed or traded.

Conversely, the proposed rules would still allow individual SROs to react differently to events that impact various securities or markets in different ways. This avoids the “brittle market” risk where an isolated event at a single market forces all markets trading equities securities to halt trading in all securities where the issue impacted only a subset of securities. By addressing both concerns, the Exchange believes that the proposed rules furthers the Act’s goal of maintaining fair and orderly markets.

The Exchange believes that the proposed rules’ focus of responsibility on the Primary Listing Market for decisions related to a Regulatory Halt and the resumption of trading is consistent with the Act, which itself imposes obligations on exchanges with respect to issuers with listed securities on those markets. As is currently the case, the Primary Listing Market would be responsible for the many regulatory functions related to its listings, including the determination of when to declare a Regulatory Halt. While these core responsibilities remain with the Primary Listing Market, trading in the security can occur on multiple exchanges that have extended unlisted trading privileges for the security, such as on the Exchange or in the over-the-counter market regulated by FINRA. The Exchange is responsible for monitoring activity on its own markets, but also must honor a Regulatory Halt. The proposed changes relating to Regulatory Halts would ensure that all SROs handle the situations covered therein in a consistent manner that would prevent conflicting outcomes in cross-market events and ensure that all trading centers recognize a Regulatory Halt declared by the Primary Listing Market. Furthermore, the proposed changes are consistent with and implement the SIP Plan Amendments.

The Exchange believes that the definitions in the proposed rules are also consistent with the Act. The Exchange proposes adding a definitions section to Rule 11.280(a) to consolidate the various definitions that will be used with Regulatory Halts, some of which are taken from the SIP Plans. The Exchange is adopting a modified form of the term “Extraordinary Market Activity” from the SIP Plans, as described above.

In addition, several other definitions have been moved into the proposed definitions section from elsewhere in the pre-existing trading halt rules without changes in the definitions. As noted, certain definitions are consistent with the definitions in the SIP Plans, furthering the Act’s goal of promoting fair and orderly markets. For example, the Exchange is proposing to adopt a definition of “SIP Halt,” to explicitly address a situation that may disrupt the markets, and this definition is identical to the definitions in the SIP Plans. In addition to “SIP Halt,” the Exchange is adopting the following terms from the SIP Plans: “Operating Committee,” “Operational Halt,” “Primary Listing Market,” “Processor,” “Regulatory Halt,” “Regular Trading Hours,” and “SIP Halt Resume Time,” as discussed in the Purpose section.

The Exchange believes that the proposed rules, which make halts more consistent across multiple exchanges, are consistent with the Act in that they will foster cooperation and coordination with persons engaged in regulating the equities markets. In particular, the Exchange believes it is important for SROs to coordinate when there is a widespread and significant event, as multiple trading centers are impacted in such an event. Further, while the Exchange recognizes that the proposed rules will not guarantee a consistent result on every market in all situations, the Exchange does believe that it will assist in that outcome. While the proposed rules relating to Regulatory Halts focus primarily on the kinds of cross-market events that would likely impact multiple markets, individual SROs will still retain flexibility to deal with unique products or smaller situations confined to a particular market. Allowing for exchange flexibility in such situations will promote just and equitable principles of trade by protecting investors from harm that is not of their own making. The proposed rules provide guidance on when the Exchange

should seek information from the Operating Committee, other SROs and market participants as well as means for dissemination of important information to the market. The Exchange believes these provisions strike the right balance in outlining a process to address unforeseen events without preventing SROs from taking action needed to protect the market.

Also consistent with the Act, and with the SIP Plan Amendments, is the Exchange's proposal in Rule 11.280(d) to address Operational Halts, which are nonregulatory in nature and apply only to the exchange that calls the halt. As noted above, the Exchange presently has the ability to call an Operational Halt. Nevertheless, the Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. Proposed Rule 11.280(d) would authorize the Exchange to implement an Operational Halt for any security trading on the Exchange: (i) if it is experiencing Extraordinary Market Activity on the Exchange; or (ii) when otherwise necessary to maintain a fair and orderly market or in the public interest.

The proposed change is designed to cover situations where the impact is limited to a single market. For example, a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers. The Exchange believes that the broader language provided by the definition of Extraordinary Market Activity in proposed Rule 11.280(d) will better serve the interests of investors by allowing the Exchange to act where appropriate.

The Exchange also believes that the proposed conforming changes to other rules in this rule filing are consistent with the Act because they are designed to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange believes that the conforming changes that will maintain the clarity and accuracy of its Rule Book

will protect investors and the public interest by reducing the potential for confusion.

Finally, as detailed above, the substantive changes in this rule filing are all based upon, and for the most part identical to, rule filings made by several other equities exchanges that were also designed to harmonize all exchanges' rules with respect to Regulatory and Operational Halts.⁵³ Thus, the Exchange does not believe that this proposal raises any new or novel issues that have not already been considered by the Commission.

B. Self-Regulatory Organization's Statement on Burden on Competition

IEX believes the proposal is consistent with Section 6(b)(8) of the Act⁵⁴ in that it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act as explained below.

Importantly, the IEX believes the proposed changes will not impose a burden on intermarket competition but will rather alleviate any burden on competition because it is the result of a collaborative effort by all SROs to harmonize and improve the process related to the halting and resumption of trading in U.S.-listed equity securities. In this area, the Exchange believes that all SROs should have consistent rules to the extent possible in order to provide additional transparency and certainty to market participants and to avoid inconsistent outcomes that could cause confusion and erode investor confidence. The proposed changes would ensure that all SROs handle the situations covered therein in a consistent manner and ensure that all Trading Centers handle a Regulatory Halt consistently. The Exchange understands that all national securities markets that trade equities securities intend to file proposals that are substantially similar to this proposal. The Exchange does not believe that the proposed rule change imposes a burden on intermarket competition because the provisions apply to all Participants equally. In addition, information regarding the halting and resumption of trading will be disseminated using several freely accessible sources to ensure broad availability of

⁵³ See supra notes 14, 15, and 16.

⁵⁴ 15 U.S.C. 78f(b)(8).

information in addition to the SIP data and proprietary data feeds offered by the Exchange and other SROs that are available to subscribers.

The Exchange also does not believe that the proposed rule change imposes a burden on intramarket competition because the provisions apply to all Members equally. In addition, the proposals include several provisions related to the declaration and timing of trading halts and the resumption of trading designed to avoid any advantage to those who can react more quickly than other market participants. The proposed rule gives the Exchange the ability to declare the timing of a Regulatory Halt immediately or at a future time to allow for broad dissemination of information. The SROs retain the discretion to cancel trades that occur after the time of the Regulatory Halt. The proposals also allow for the staggered resumption of trading to assist firms of all sizes in reentering the market after a SIP Halt affecting multiple securities. In addition, the proposals encourage early and frequent communication among the SROs, SIPs and market participants to enable the dissemination of timely and accurate information concerning the market to market participants.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Not applicable.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

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)(iii) of the Act⁵⁵ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁵⁶

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)⁵⁷ 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:

⁵⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

⁵⁶ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission 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 of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

⁵⁷ 15 U.S.C. 78s(b)(2)(B).

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-IEX-2025-37 on the subject line.

Paper Comments:

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

All submissions should refer to file number SR-IEX-2025-37. This file number should be included on 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 (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All

submissions should refer to file number SR-IEX-2025-37 and should be submitted on or before
[INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL*
REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated
authority.⁵⁸

Sherry R. Haywood,

Assistant Secretary.

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⁵⁸ 17 CFR 200.30-3(a)(12).