



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104528; File No. SR-IEX-2025-36]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the IEX Fee Schedule Concerning Certain Connectivity Fees

December 30, 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 19, 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, 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 Act,⁴ and Rule 19b-4 thereunder,⁵ the Exchange is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend its Fee Schedule,⁶ pursuant to IEX Rules 15.110(a) and (c), to increase the fee for physical connectivity at its Primary Data Center, add a fee for physical connectivity at the Disaster Recovery Data Center, and add a fee for Drop Copy logical port fees. Changes to the Fee Schedule pursuant to this proposal are effective upon

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.

⁶ See IEX Fee Schedule – Connectivity Fees table, available at <https://www.iexexchange.io/resources/trading/fee-schedule#connectivity-fees>.

filing,⁷ and will be operative beginning on January 1, 2026.

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

IEX is proposing to amend the Connectivity Fees section of its Fee Schedule, pursuant to IEX Rules 15.110(a) and (c), to increase fees for physical port connections to its Primary Data Center,⁸ add a fee for physical port connections to its Disaster Recovery Data Center,⁹ and add a fee for logical Drop Copy Ports.¹⁰ Specifically, the Exchange proposes to increase the monthly fees for each physical port connection to its Primary Data Center from \$4,000 to \$7,000, which

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

⁸ All connections to the IEX Primary Data Center (including for order entry and market data receipt) are made through IEX's point-of-presence ("IEX POP") in Secaucus, NJ. From the IEX POP, messages travel to IEX's Primary Data Center. The only connections offered to the Primary Data Center are 10 gigabit ("10G") physical port connections. The Exchange offers both 10G and 1 gigabit ("1G") physical port connections to the IEX Testing Facility ("ITF") included with a Primary Data Center connection and as discussed below, the Exchange is not proposing to add fees for the connections to the ITF itself.

⁹ The Disaster Recovery Data Center, also known as the "Secondary Data Center," is the physical location of IEX's backup trading platform. It is located in Chicago, Illinois.

¹⁰ Confirmations of orders and execution reports are transmitted by the Exchange over the Order Entry Port that was used to enter the order. A "drop copy" contains redundant information that a Member chooses to have "dropped" to another destination (e.g., to allow the Member's back office and/or compliance department, or another Member – typically the Member's clearing broker – to have immediate access to the information for risk management and other purposes). Drop copies can only be sent via a drop copy port. Drop copy ports cannot be used to enter orders.

fee would continue to include one (1) 10G or 1G connection to the ITF free of charge. The Exchange also proposes to amend the Fee Schedule to begin charging a new monthly fee of \$3,000 for each physical connection to the Disaster Recovery Data Center, which the Exchange has previously provided free of charge with a physical connection to the Primary Data Center. In addition, the Exchange proposes a new monthly fee of \$450 for each logical Drop Copy Port, which the Exchange currently provides free of charge.

The Exchange proposes to implement the changes to the Fee Schedule pursuant to this proposal on January 1, 2026.

Connectivity Fee Changes

The Exchange offers the ability to physically connect to the Exchange via the IEX point-of-presences (the “IEX POP”)¹¹ to its Members, Data Recipients,¹² Service Bureaus,¹³ Sponsored Participants,¹⁴ and Extranet Providers¹⁵ (collectively, “Connectivity Subscribers”).¹⁶ Connecting directly to the Exchange is optional and not required to participate on the Exchange. The number of physical connections to IEX’s Primary Data Center (via the IEX POP) assigned to each Connectivity Subscriber is determined by each Connectivity Subscriber based on the scope and scale of its trading activity on the Exchange (or other activity on the Exchange, in the case of Data Recipients, Service Bureaus, Sponsored Participants, and Extranet Providers). As of November 1, 2025, 35% of IEX Members maintain one or more direct physical port connections to the Exchange’s Primary Data Center and 45% of IEX’s Members have physical port

¹¹ The IEX POP is located at the NY5 data center in Secaucus, New Jersey. Physical connectivity is provided via network switch and cabling infrastructure that allows a subscriber to access a logical port to send and receive order messages, as well receive market data messages.

¹² See IEX Rule 11.130(c).

¹³ See IEX Rule 11.130(d).

¹⁴ See IEX Rule 11.130(b).

¹⁵ See IEX Rule 11.130(e).

¹⁶ See IEX Rule 11.510(a). Service Bureaus offer technology-based services to Members for a fee, including physical connectivity and Order Entry Ports. Extranet Providers offer physical connectivity services to Members and Data Recipients.

connectivity to the Exchange indirectly through a Service Bureau or Extranet Provider¹⁷ rather than directly.¹⁸ Thus, the 35% of Members with direct physical port connections will be subject to the proposed fee increase for physical port connectivity to the Primary Data Center, assuming no changes in the number of direct physical port connections maintained by such Members.¹⁹

The Exchange proposes to increase the monthly fee of \$4,000 for each physical port connection to the Primary Data Center (all of which are 10G connections) to \$7,000, which fee would also continue to include an option for one (1) 10G or 1G connection to its ITF.²⁰

In addition, the Exchange currently offers Connectivity Subscribers the ability to physically connect to its Disaster Recovery Data Center free of charge, provided they pay for a direct connection to the Primary Data Center. The Exchange proposes to introduce a monthly fee of \$3,000 for each physical port connection to the Disaster Recovery Data Center.²¹ As of November 1, 2025, 11% of Members maintain at least one (1) physical port connection to the Disaster Recovery Data Center and additional IEX Members have the ability to connect to the Disaster Recovery Data Center indirectly through a Service Bureau or Extranet Provider rather than directly. Thus the 11% of Members with direct connectivity would be subject to the proposed monthly fee of \$3,000 per physical port connection, assuming no changes in the number of physical port connections maintained by such Members.²²

¹⁷ Third-party connectivity providers such as Service Bureaus and Extranet Providers play an important role in expanding access to the Exchange and distributing the Exchange's market data, reducing barriers to entry and enabling market participants to access the Exchange without the need to connect directly. Third-party connectivity providers may pass some or all of the connectivity fees on to their subscribers, depending on the contractual relationship between the parties. The Exchange receives no part of the revenue earned by third-parties reselling connectivity.

¹⁸ IEX understands that some of the remaining 20% of Members access the Exchange indirectly through other Members.

¹⁹ The proposed fee increase may cause some Members, as well as Service Bureaus and Extranet Providers, to reduce or eliminate their physical connectivity to the Primary Data Center. Further, the Service Bureaus and Extranet Providers that maintain physical port connectivity to the Exchange may increase the fees they charge to Members utilizing their connectivity as a result of the proposed fee increase.

²⁰ The ITF can also be accessed free of charge via the internet.

²¹ The Exchange will continue to offer logical order entry ports at the Disaster Recovery Data Center free of charge. See IEX Fee Schedule – Connectivity Fees, supra note 6, footnote 3.

²² The Exchange recognizes that instituting a fee for connectivity previously provided free of charge may cause some Members, as well as Service Bureaus and Extranet Providers, to reduce or eliminate their

Connecting directly to the Disaster Recovery Data Center is not mandatory, but the Exchange recommends it to minimize service disruption in the event of an issue at the Primary Data Center. Pursuant to IEX Rule 2.250 (Mandatory Participation in Testing of Backup Systems), the Exchange requires certain Members who account for a meaningful percentage of the Exchange's overall volume to, at least once every twelve (12) months, connect to the Disaster Recovery Data Center to participate in functional and performance testing.²³ However, Members participating in the mandatory testing are not required to purchase a direct connection to the Disaster Recovery Data Center and the Exchange permits any designated Member to connect through a third-party, such as an Extranet Provider, for purposes of the mandatory testing.²⁴

Drop Copy Port Fees

Similar to other exchanges, the Exchange offers Drop Copy Ports for receipt of duplicate trade execution reports and order messages (which are sent via Order Entry Ports). A Drop Copy Port is a form of logical port²⁵ that allows subscribers ("Port Subscribers") to receive, in real time, copies of their order flow, which can be configured based on various combinations of information relating to specific Member firms, clearing Market Participant IDs (or MPIDs), and/or sessions, according to the subscriber's needs.

The Exchange currently provides Drop Copy Ports free of charge. The Exchange proposes to charge \$450 for each Drop Copy Port per month. This proposed fee would not apply to logical ports used for other purposes, such as Order Entry Ports.

physical connectivity to the Disaster Recovery Data Center. Further, the Service Bureaus and Extranet Providers that maintain physical port connectivity to the Disaster Recovery Data Center may increase the fees they charge to Members utilizing their connectivity as a result of the proposed fee increase.

²³ See IEX Rule 2.250.

²⁴ In the most recent testing (October 2025), one designated Member connected to the Disaster Recovery Data Center through an Extranet Provider for the mandatory testing.

²⁵ Logical ports provide users with the ability to perform specific functions through a connection to the Exchange's System, such as order entry and receiving data. Logical connectivity for order entry or drop copies is provided via network switch and cabling infrastructure at the IEX Primary Data Center that delivers order and execution messages, as well as server infrastructure that runs software processes responsible for validating and formatting such messages for either internal or external consumption.

Drop Copy Ports are optional and the Exchange does not impose any minimum or maximum requirements for how many Drop Copy Ports a Port Subscriber must maintain, and it is not proposing to impose any minimum or maximum requirements. Each Port Subscriber is free to determine the number of Drop Copy Ports it subscribes to based on the scope and scale of its trading activity on the Exchange, and their need for real-time information about their trading activity. As of November 1, 2025, 28% of Members are Drop Copy Port Subscribers and would be subject to the proposed monthly fee of \$450 per Drop Copy Port, assuming no changes in the number of direct Drop Copy Ports assigned to Members.²⁶

Proposed Fees – Additional Discussion

The Exchange notes that the proposed fee changes are designed to enable the Exchange to continue to maintain and improve its connectivity technology and services. The Exchange also notes that the proposed fees are within the range of, or lower than, the fees charged for comparable physical connectivity and drop copy ports by other equities exchanges with similar or lower market share than IEX.

As proposed, the Exchange will assess fees for physical connectivity to the Disaster Recovery Data Center and for Drop Copy Ports based on the number of physical connections to the Disaster Recovery Data Center and the number of Drop Copy Ports assigned to each Member or service provider (i.e., Service Bureau and/or Extranet Provider) as of the first day of each month. This is consistent with the billing methodology the Exchange uses to bill for physical and logical ports, as reflected in current footnotes 1 and 3 to the Connectivity Fees table.²⁷

In general, the Exchange believes that exchanges, in setting fees of all types, should meet very high standards of transparency to demonstrate why each new fee or fee increase meets the Exchange Act requirements. The Exchange believes this high standard is especially important

²⁶ The Exchange recognizes that instituting a fee for Drop Copy Ports, previously provided free of charge, may cause some Members to reduce or eliminate their Drop Copy Ports.

²⁷ See IEX Fee Schedule, supra note 6.

when an exchange imposes fees for market participants to access an exchange’s marketplace. As discussed further in the Statutory Basis section, the Exchange believes the proposed fees are reasonable when compared with the fees charged by other equities exchanges with similar or lower market share for physical connectivity at their primary and disaster recovery data centers and for drop copy ports.

Further, the Exchange believes that the proposed fees—insofar as they incentivize Subscribers to consolidate their usage of connectivity services or discontinue unused connectivity subscriptions—will help to encourage a more efficient allocation of connectivity services usage in a way that aligns with the Exchange’s regulatory obligations. As a national securities exchange, the Exchange is subject to the Regulation Systems Compliance and Integrity (“Reg SCI”).²⁸ Reg SCI Rule 1001(a) requires that the Exchange establish, maintain, and enforce written policies and procedures reasonably designed to ensure, among other things, that its Reg SCI systems have adequate capacity levels to maintain the Exchange’s operational capability and promote the maintenance of fair and orderly markets.²⁹ By encouraging Users to be efficient with their usage of connectivity services, the proposed fees will increase overall system efficiency and support the Exchange’s Reg SCI obligations by ensuring that unused application sessions are available to be allocated based on individual User needs and as the Exchange’s overall order and trade volumes increase.

Conforming Changes to Fee Schedule

As proposed, the Connectivity Fees table in the Fee Schedule would be amended as follows to reflect the proposed fee changes (footnotes omitted):

Service	Fee
10G Physical Port Connection to Primary Data Center	\$ <u>7,000</u> [4,000] per month

²⁸ 17 C.F.R. 242.1000-1007.

²⁹ 17 C.F.R. 242.1000(a).

10G Physical Port Connection to Disaster Recovery Data Center	\$3,000 per month[Included with 10G Physical Port Connection at Primary Data Center]
1G or 10G Physical Port Connection to IEX Test Facility (“ITF”)	Included with 10G Physical Port Connection at Primary Data Center
Logical Port (except for Primary Data Center Order Entry Ports and Drop Copy Ports)	FREE

<u>Drop Copy Port</u>	<u>\$450 per port per month</u>

Because the Exchange will no longer provide Disaster Recovery Data Center connectivity free of charge, the Exchange proposes removing the phrase “[i]ncluded with 10G Physical Port Connection at Primary Data Center” from the Fee column. The Exchange also proposes revising the parenthetical in the Logical Port row of the Connectivity Fee table to indicate that Drop Copy Ports are excluded from the Logical Ports that the Exchange offers free of charge.

In addition, the Exchange proposes to amend the footnotes in the Connectivity Fees table to state that billing for physical connectivity ports for the Disaster Recovery Data Center and for Drop Copy Ports will be based on the number of ports assigned to each Member or Service Bureau as of the first day of each month. Specifically, the Exchange proposes to amend footnote 1 to reference physical connectivity to the Disaster Recovery Data Center as follows:

Physical connectivity fees are billed to and payable by the Member, Service Bureau, Data Recipient, or Extranet Provider maintaining the physical port connection at the Primary Data Center or Disaster Recovery Data Center based on the number of physical connections to each [the Primary] Data Center as of the first of each month.

The Exchange also proposes to add a new footnote 5 to the last row of the table, appended to the Drop Copy Port row, after the words “\$450 per port per month,” as follows:

Fees for Drop Copy Ports are billed to and payable by the Member or Service Bureau maintaining the port(s) based on the number of Drop Copy Ports assigned to each Member or Service Bureau as of the first of each month.

Implementation

The Exchange plans to implement the proposed fee changes on January 1, 2026, subject

to effectiveness of this proposed rule change, in order to provide ample advance notice and allow impacted market participants time to prepare for the changes. On November 25, 2025, the Exchange announced the planned implementation of the proposed fees on January 1, 2026, subject to the filing and effectiveness of an SEC rule filing.³⁰

2. Statutory Basis

IEX believes that the proposed fees are consistent with the provisions of Section 6(b)³¹ of the Act in general and further the objectives of Section 6(b)(4)³² of the Act, in particular, in that they are designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange also believes that the proposed fee changes are designed to promote just and equitable principles of trade and are not designed to permit unfair discrimination, consistent with the objectives of Section 6(b)(5)³³ of the Act. The Exchange believes the proposed fees are reasonable because they will better enable the Exchange to continue to maintain and improve its connectivity services and facilities. In addition, as discussed below, the Exchange believes the proposed fees are reasonable based on a comparison to fees charged by other exchanges with similar or lower market share for similar connectivity.

The Proposed Fees are Reasonable and Comparable to the Fees Charged by Other Exchanges for Similar Connectivity and Ports

Proposed 10G Physical Port Fee

The Exchange believes that the proposed fee of \$7,000 per month per physical port connection to the Primary Data Center is reasonable because it is within the range of fees charged for comparable physical connectivity by other equities exchanges with similar or lower market share, and less than fees charged for comparable physical connectivity by two such

³⁰ See IEX Trading Alert #2025-34, available at <https://iextrading.com/alerts/#/320>.

³¹ 15 U.S.C. 78f(b).

³² 15 U.S.C. 78f(b)(4).

³³ 15 U.S.C. 78f(b)(5).

exchanges.³⁴ IEX's year-to-date market share as of November 1, 2025 was approximately 2.86%. Based on publicly available information as of November 1, 2025, the Exchange compared the proposed fee of \$7,000 to the fees charged for comparable physical connectivity to primary data centers by other equities exchanges with similar or lower market share than IEX. As set forth in the table below, the proposed fee of \$7,000 is lower than the fees charged by Cboe BZX and MIAX Pearl Equities for physical port connectivity to their primary data centers. While Cboe BZX's market share is slightly higher than IEX's, MIAX's market share is lower. IEX notes, however, that the proposed fee is higher than the physical port connectivity fees charged by MEMX, which has a lower market share than IEX.

Exchange	Market Share as of 11/1/2025	Physical Port Fees for each 10 Gigabit physical port connection per month
Cboe BZX	3.59%	\$8,500 ^a
MIAX Pearl Equities	1.08%	\$8,000 ^b
IEX	2.86%	Proposed \$7,000
MEMX	2.18%	\$6,000 ^c

Table Endnotes

^a See Cboe BZX Equities Fee Schedule, Physical Connectivity Fees, available at https://www.cboe.com/us/equities/membership/fee_schedule/bzx/.

^b See MIAX Pearl Equities Fee Schedule, System Connectivity Fees Section, available at https://www.miaxglobal.com/sites/default/files/fee_schedule-files/MIAX_Pearl_Equities_Fee_Schedule_10012025.pdf.

^c See MEMX Connectivity Fee Schedule, available at <https://info.memxtrading.com/connectivity-fees/>.

10G Disaster Recovery Connectivity Fee

The Exchange believes that the proposed fee of \$3,000 per month per physical connectivity to the Disaster Recovery Data Center is reasonable because it is equal to or less than fees charged for comparable physical connectivity to disaster recovery data centers by other equities exchanges with similar or lower market share. As set forth in the table below, the proposed fee of \$3,000 is equivalent to the fees charged by MIAX Pearl Equities and MEMX for physical connectivity to their disaster recovery data centers and IEX's market share is higher

³⁴ Exchange market share data noted in this rule filing represent the percent of executed share volume by the relevant exchange compared to market-wide executed share volume in NMS securities (see Rule 600(64) of Regulation NMS) based on NYSE TAQ (Trade and Quote) data.

than the market share of those exchanges. The proposed fee is lower than the fee charged by Cboe BZX, which has a higher market share than IEX.

Exchange	Market Share as of 11/1/2025	Disaster Recovery Connectivity Fees for each 10 Gigabit physical port connection per month
Cboe BZX	3.59%	\$6,000 ^d
IEX	2.86%	Proposed \$3,000
MIAX Pearl Equities	1.08%	\$3,000 ^e
MEMX	2.18%	\$3,000 ^f
<u>Table Endnotes</u> ^d See <u>supra</u> , table endnote a. ^e See <u>supra</u> , table endnote b. ^f See <u>supra</u> , table endnote c.		

Drop Copy Port Fee

The Exchange believes that the proposed fee of \$450 per month per Drop Copy Port is reasonable because it is equal to or less than fees charged for drop copy ports by other equities exchanges with similar or lower market share. As set forth in the table below, the proposed fee of \$450 per port is lower than the fees charged by Nasdaq BX and NYSE Texas, and IEX's market share is higher than the market share of those exchanges. The proposed fee is equivalent to the fees charged by MIAX Pearl Equities, MEMX, and LTSE for drop copy ports. IEX's market share is higher than the market share of those exchanges. In addition, the proposed fee is lower than the fees charged by Cboe BZX, although BZX's market share is slightly higher than IEX's.

Exchange	Market Share as of 11/1/2025	Drop Copy Port Fees for each port per month
Cboe BZX	3.59%	\$550 ^g
Nasdaq BX	0.26%	\$500 ^h
NYSE Texas	0.34%	\$455 ⁱ
IEX	2.86%	Proposed \$450
MIAX Pearl Equities	1.08%	\$450 ^j
MEMX	2.18%	\$450 ^k
LTSE	0.03%	\$450 ^l
<u>Table Endnotes</u> ^g See <u>supra</u> , table endnote a. ^h See Nasdaq BX Fee Schedule, Connectivity Section, available at https://nasdaqtrader.com/Trader.aspx?id=bx_pricing#connectivity . ⁱ See NYSE Texas Fee Schedule, Connection Charges Section, available at https://www.nyse.com/publicdocs/nyse/markets/nyse-texas/NYSE_Texas_Fee_Schedule.pdf . ^j See <u>supra</u> , table endnote b.		

^k See supra, table endnote c.

^l See LTSE Fee Schedule, Connectivity Fees, available at https://cdn.prod.website-files.com/6462417e8db99f8baa06952c/68dd36bd3206d4b31a164179_LTSE%20Fee%20Schedule_October%201%2C%202025.pdf.

The Proposed Fees are Equitably Allocated and not Designed to Permit Unfair Discrimination

The Exchange believes that its proposed physical port connectivity fee of \$7,000 to connect to the Primary Data Center, which includes physical port connectivity to the ITF for no additional charge, and its proposed fee of \$3,000 for physical connectivity to the Disaster Recovery Data Center are reasonable, fair and equitable, and are not designed to permit unfair discrimination between Members because they will apply equally to all Members and other Connectivity Subscribers³⁵ that choose to purchase direct physical connectivity to the Exchange.

No broker-dealer is required by rule or regulation to become a Member of the Exchange or to connect directly to the Exchange. Further, a direct connection to the Exchange is not a requirement to participate on the Exchange. The proposed fees will apply to all Connectivity Subscribers in the same manner and are not targeted at a specific type or category of market participant engaged in any particular trading strategy. The proposed fees are not tied to volume-based tiers or dependent on executing a minimum volume of orders on IEX.

The Exchange believes the proposed fees are an equitable allocation of reasonable fees because they will be assessed solely based on the number of physical connections a firm selects and not on any other distinction applied by IEX. Members, Service Bureaus, Sponsored Participants, Data Recipients, and Extranet Providers can determine whether to connect directly to the Exchange and if so, the number of physical port connections to the Primary Data Center and Disaster Recovery Data Center they need to implement their trading or business strategies effectively. The number of physical connections to the Exchange will continue to be based on

³⁵ As discussed above, the types of firms that might pay for physical port connectivity to the Exchange are: Members, Service Bureaus, Data Recipients, Sponsored Participants, and Extranet Providers. See supra notes 12 through 15.

individual decisions by each firm. The proposed fees would enable the Exchange to maintain and improve its connectivity infrastructure, services, and facilities to benefit its customers and remain competitive with its peers. If the Exchange charges excessive fees, market participants are free to either reduce connectivity fees by reducing the number of physical connections to the Exchange or seek more affordable alternatives, for example as applicable, by participating through a third-party connectivity provider.

In addition, Connectivity Subscribers that utilize more physical connectivity services typically utilize relatively more trading system bandwidth, and thus those are the firms that consume the most resources from the Exchange. Accordingly, the Exchange believes that the proposed fees are not designed to permit unfair discrimination because Connectivity Subscribers with more complex connections and which use relatively more of the Exchange's capacity and resources pay a higher share of the total connectivity services fees.

With respect to Drop Copy Ports, IEX believes that its proposed fee is reasonable, fair and equitable, and not designed to permit unfair discrimination because it will apply equally to all Port Subscribers that are assigned Drop Copy Ports. In addition, Drop Copy Ports are optional; the Exchange does not impose any minimum or maximum number of Drop Copy Ports on Port Subscribers. The number of assigned Drop Copy Ports will continue to be a function of choices made by each Port Subscriber, including the ability to reduce fees by discontinuing unused Drop Copy Ports.

All Connectivity Subscribers and Port Subscribers will be subject to the same fee schedule, regardless of the volume sent to or executed on IEX. All Members, Service Bureaus, Data Recipients, and Extranet Providers will pay the same "per unit" rate for physical port connectivity to the Exchange and for each Drop Copy Port. While firms that send relatively more inbound messages to IEX may select two or more physical connections to the Exchange or choose to receive or arrange for copies of their message traffic in a Drop Copy Port, thereby resulting in higher fees, that distinction is based on objective differences in usage of port

connectivity (the result of decisions made by each firm) rather than application of the proposed fees by IEX. Moreover, the Exchange believes that it is not unfairly discriminatory for Users with higher message traffic or more complex connections to pay a higher share of the total connectivity services fees.

The Exchange also believes that it is reasonable, equitable, and not designed to permit unfair discrimination to base its billing for physical connectivity to the Disaster Recovery Data Center and for Drop Copy Ports on the number of physical connections and Drop Copy Ports assigned to Members and Service Bureaus as of the first day of each month. IEX believes that this approach is fair because Members and Service Bureaus will have a reasonable understanding and expectation of the cutoff date for determining whether the firm requires one or more physical connections to the Disaster Recovery Data Center. It is also consistent with how the Exchange currently bills for physical and order entry ports³⁶ and will therefore align billing for the proposed fees with existing billing practice, reducing the potential for confusion by Members and Service Bureaus.

Furthermore, the Exchange believes that the proposed fees are consistent with Section 11A of the Exchange Act in that they are designed to facilitate the economically efficient execution of securities transactions, fair competition among brokers and dealers, exchange markets and markets other than exchange markets, and the practicability of brokers executing investors' orders in the best market.

Further, as discussed above, IEX believes the proposed fees are reasonable because they are equitable and not designed to permit unfair discrimination, based on a comparison to similar fees charged by other exchanges. IEX does not believe that physical and logical port fees are properly constrained by competitive market pressures. Nevertheless, the Exchange believes that, as discussed below, they are not designed to permit unfair discrimination.

³⁶ See IEX Fee Schedule, supra note 6.

In summary, for all of the foregoing reasons, the Exchange believes that the proposed fees are reasonable, equitably allocated, and not designed to permit unfair discrimination.

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 intramarket or intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Competing equities exchanges are free to propose comparable fee structures subject to the SEC rule filing process. There is no reason to believe that IEX's proposed fee increases will adversely impact any other exchange's ability to compete. And, as discussed in the Statutory Basis section, IEX believes that a comparison to comparable fees charged by competitor markets supports that the proposed fees are designed to promote fair and non-discriminatory intermarket competition. As detailed above, the proposed fees are either in line with, equal to, or lower than fees charged for comparable physical connectivity and drop copy ports by other exchanges with similar or lower market share. Accordingly, the Exchange does not believe its proposed fee changes impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange also does not believe that the proposed fees will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. All Connectivity Subscribers and Port Subscribers will be charged the same amount for each physical connection to the Primary Data Center and the Disaster Recovery Data Center, and for each logical Drop Copy Port. The proposed fees do not favor certain categories of Connectivity Subscribers or Port Subscribers in a manner that would impose an undue burden on competition.

The Exchange does not believe that the proposed rule change would place particular

Connectivity Subscribers or Port Subscribers at the Exchange at a relative advantage or disadvantage compared to other Connectivity or Port Subscribers or affect the ability of such firms to compete. The fact that different total port fees would be assessed depending on the number of ports a Subscriber requests is not based on the type of Member requesting physical port connectivity or Drop Copy Port(s) or their trading volume on the Exchange, but rather is the result of each Subscriber determining the number of such ports to request, as discussed in the Statutory Basis section. Accordingly, the proposed fees for physical connectivity services and Drop Copy Ports are commensurate with each Subscriber's decision about whether to directly connect to the Exchange, how many connections it needs, and whether it needs copies of its message traffic sent to a drop copy port. In addition, the fact that Connectivity Subscribers who utilize more physical connectivity services pay a larger portion of the Exchange's connectivity fees does not place those Connectivity Subscribers at a competitive disadvantage because those Subscribers typically utilize the most bandwidth and thus the most resources from the Exchange. Thus, for the reasons set forth above, the Exchange does not believe that the proposed fees will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

As described in the Purpose section, the proposed fee changes arguably promote both intermarket and intramarket competition by assisting the Exchange in complying with its Regulation SCI compliance obligations to have capacity levels adequate to maintain IEX's operational capability and promote the maintenance of fair and orderly markets, thereby enabling IEX to support a robust trading environment for its Members and compete with other equities exchange venues.

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)³⁷ 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)³⁸ 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-IEX-2025-36 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-2025-36. 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

³⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

³⁸ 15 U.S.C. 78s(b)(2)(B).

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-2025-36 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.³⁹

Sherry R. Haywood,
Assistant Secretary.

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³⁹ 17 CFR 200.30-3(a)(12).