



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106507; File No. SR-IEX-2026-33]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend IEX Rule 21.150 to Eliminate the Minimum Roster Requirement on the Obvious Error Panel

September 28, 2026.

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 September 18, 2026, 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 rule change proposal to amend Rule 21.150 (Nullification and Adjustment of Options Transactions including Obvious Errors) to eliminate the requirement regarding the maintenance of a minimum roster of representatives eligible to serve on the Exchange’s Obvious Error Panel. The Exchange has designated this rule

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.

change as “non-controversial” under 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 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 21.150 (Nullification and Adjustment of Options Transactions including Obvious Errors) to simplify the representative requirement for the Obvious Error Panel. Specifically, as described below, the Exchange proposes to eliminate the requirement regarding the maintenance of a minimum roster of representatives eligible to serve on the Exchange’s Obvious Error Panel to avoid an unnecessary administrative burden on the Exchange and its Options Members.⁸ This proposed rule change is substantially similar to proposals by MEMX and MX2.⁹

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6).

⁸ The term “Options Member” means a firm or organization that is registered with the Exchange pursuant to Chapter 18 of the Exchange’s Rules for purposes of participating in options trading on IEX Options as an Options Order Entry Firm, Options Market Maker, or Clearing Member. See Rule 17.100.

⁹ See Securities Exchange Act Release No. 106157 (August 18, 2026), 91 FR 54422 (August 21, 2026) (SR-MEMX-2026-27); Securities Exchange Act Release No. 106197 (August 26, 2026), 91 FR 55918 (August 31, 2026) (SR-MX2-2026-04).

Under Rule 21.150(l), an Options Member affected by a determination made under Rule 21.150(l) may request review by an Obvious Error Panel. Under Rule 21.150(l)(1), each Obvious Error Panel must be comprised of the Exchange's Chief Regulatory Officer ("CRO"), or a designee of the CRO; two representatives of an Options Member engaged in market making (any such representative, a "MM Representative"); and two representatives of Options Members that satisfy specified criteria designed to ensure that such representatives are not principally in options market making (any such representative, a "Non-MM Representative").

Under current Rule 21.150(l)(2), the Exchange must designate at least ten MM Representatives and at least ten non-MM Representatives to be called upon to serve on the Obvious Error Panel as needed. That rule further provides that an Obvious Error Panel may not include a person affiliated with a party to the trade in question and that, to the extent reasonably possible, the Exchange must call upon designated representatives to participate on panels on an equally frequent basis.

The Exchange believes that the requirement to designate at least ten MM Representatives and at least ten non-MM Representatives to be called upon to serve on the Obvious Error Panel is unnecessarily burdensome to both the Exchange and the representatives. The Exchange believes that a mandatory roster of twenty or more designated representatives is larger than necessary to administer the appeals process effectively and imposes avoidable administrative burdens on both the Exchange and its Options Members. Maintaining such a roster requires the Exchange to identify, solicit, qualify, designate, track, and periodically refresh a substantial number of representatives, even though only four industry representatives serve on a particular panel, and appeals occur only periodically and infrequently.

The Exchange believes that Rule 21.150, as amended, will facilitate a more efficient administration of the appeal process while retaining the requirement of having both MM Representatives and non-MM Representatives on the panel. The proposed amendment will streamline the appeal process by removing the unnecessary burden of maintaining an active list

of at least twenty representatives to serve on an Obvious Error Panel. The Exchange does not believe it is necessary to designate such a large number of representatives because the composition of each Obvious Error Panel will remain unchanged, as each panel will continue to include two MM Representatives and two non-MM Representatives, in addition to the CRO or the CRO's designee. The Exchange believes this composition provides a proper balance of competing interests and helps ensure regulatory fairness when resolving trade disputes.

The proposal will not alter the eligibility criteria for non-MM Representatives. In addition, Rule 21.150(l)(2) will retain the requirements that an Obvious Error Panel may not include a person affiliated with a party to the trade in question and that, to the extent reasonably possible, the Exchange must call upon the designated representatives to participate on panels on an equally frequent basis. These provisions will continue to promote impartiality and equitable participation in the appeal process.

The Exchange expects to continue designating a sufficient number of qualified MM Representatives and non-MM Representatives to convene panels promptly, taking into account representative availability, potential conflicts, and the applicable review timeframes. Eliminating the fixed minimum roster size will provide the Exchange flexibility to maintain a roster appropriately sized to its operational needs without affecting the composition, independence, or substantive authority of the Obvious Error Panel.

The Exchange notes that the proposed approach is consistent with the rules of other national securities exchanges.¹⁰

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the Act and the

¹⁰ See, e.g., Nasdaq Options 3, Section 20(l)(1), which provides that a Nasdaq Review Council panel will be comprised minimally of one representative of a member engaged in market making and two industry representatives not engaged in market making, and that no more than 50% of the panel may be engaged in market making. The rule does not require Nasdaq to designate or maintain a minimum roster of potential panel representatives. Nasdaq ISE and Nasdaq MRX maintain materially similar panel-composition provisions in their respective rulebooks, likewise without imposing a minimum roster requirement. See Nasdaq ISE Options 3, Section 20(k)(1); Nasdaq MRX Options 3, Section 20(k)(1).

rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes that the proposed rule change is consistent with Section 6(b)(1) of the Act,¹⁴ which provides that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act and to enforce compliance by the Exchange's Options Members and persons associated with its Options Members with the Act, the rules and regulations thereunder, and the rules of the Exchange.

In particular, the Exchange believes the proposed amendment to eliminate the requirement regarding the maintenance of a minimum roster of representatives eligible to serve on the Exchange's Obvious Error Panel will make the administration of the appeal process more efficient by reducing an unnecessary numerical condition while preserving the provisions governing panel composition, representative qualifications, conflicts of interest, review timing, and decisional authority. The required panel composition, the eligibility criteria for non-MM Representatives, and the prohibition on participation by a person affiliated with a party to the trade will remain unchanged. The Exchange believes these retained safeguards provide a proper

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ Id.

¹⁴ 15 U.S.C. 78f(b)(1).

balance of competing interests and protect investors and the public interest.

The Exchange does not believe that requiring a roster of at least twenty designated representatives is necessary to ensure fair review. Rather, fairness is achieved through the composition of the panel that hears the appeal, the qualifications, and independence of its representatives, and the substantive and procedural protections in Rule 21.150. The proposed change also will serve to avoid wasting Options Member and Exchange resources on maintaining an excessive list of Options Member representatives.

The Exchange further believes that the proposal's consistency with the rules of Nasdaq and its affiliated options exchanges supports the conclusion that the fixed roster requirement is not necessary to protect investors or ensure fair review. Those exchanges rely on panel-composition safeguards similar to those that will remain in Rule 21.150, but do not require the maintenance of a roster of at least ten market-maker and ten non-market maker representatives.

Finally, the proposal is not designed to permit unfair discrimination. Rather, the proposal relates only to the Exchange's administrative requirements for maintaining a roster of eligible representatives and will apply uniformly to all Options Members and all appeals under Rule 21.150. The Exchange will continue to maintain a roster of qualified representatives appropriately sized to its operational needs and will continue to select representatives in accordance with the rule's objective criteria and, to the extent reasonably possible, call upon designated representatives on an equally frequent basis.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. This proposal does not create an unnecessary or inappropriate intramarket burden on competition because the proposed change will apply uniformly to all Options Members and will not affect any Options Member's ability to request or obtain review of an obvious error determination. Further, the proposal will not impact the fairness or impartiality of the appeal process. The

Exchange will continue to appoint qualified individuals to serve on the Obvious Error Panel and to administer the appeals process in a fair and consistent manner, and all similarly situated parties will continue to have access to the same appeal procedures and protections under Rule 21.150.

The Exchange also does not believe the proposed rule change will impose any burden on intermarket competition because the proposal relates solely to the Exchange's internal administration of the Obvious Error Panel and does not affect the standards for determining whether a transaction is erroneous, the relief available for market participants, the rights or obligations of any Options Member, the Exchange's trading functionality or the ability of Options Members to compete on the Exchange or across markets.

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

Written comments were neither solicited nor received.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁵ and Rule 19b-4(f)(6) thereunder.¹⁶ Because the foregoing 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 Act¹⁷ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁸

¹⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁶ 17 CFR 240.19b-4(f)(6).

¹⁷ 15 U.S.C. 78s(b)(3)(A)(iii)

¹⁸ 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.

A proposed rule change filed under Rule 19b-4(f)(6)¹⁹ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),²⁰ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange states that waiver of the operative delay would permit the proposed rule change to become operative on October 2, 2026, which is the date when IEX Options is scheduled to commence trading operations. For this reason, and because the proposed rule change raises no new or novel legal or regulatory issues, the Commission finds that waiver of the operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change to be operative upon filing.²¹

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 will institute proceedings under Section 19(b)(2)(B)²² 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:

¹⁹ 17 CFR 240.19b-4(f)(6).

²⁰ 17 CFR 240.19b-4(f)(6)(iii).

²¹ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

²² 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-2026-33 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-2026-33. 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-2026-33 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.²³

Sherry R. Haywood,
Assistant Secretary.

²³ 17 CFR 200.30-3(a)(12), (59).

