



July 9, 2025

VIA ELECTRONIC DELIVERY

Ms. Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing of Amendment No. 3 to a Proposed Rule Change to Adopt Rules to Govern the Trading of Options on the Exchange for a New Facility Called IEX Options, Release No. 34-103290, File No. SR-IEX-2025-02 (June 24, 2025)

Dear Ms. Countryman:

Virtu Financial, Inc. (“Virtu”)¹ respectfully submits this letter in response to the above-referenced rule filing² submitted by the Investors Exchange LLC (“IEX” or the “Exchange”) to the Securities & Exchange Commission (“SEC” or “Commission”) seeking to adopt rules to govern the trading of options on the Exchange for a new facility named “IEX Options” (the “Proposal”).

As described in the filing, the Exchange will operate IEX Options as a fully automated trading system built on the core functionality of the Exchange’s approved equities platform, and in a manner similar to that of other options exchanges. In addition, IEX Options will utilize a de minimis delay on incoming messages and, similar to other options exchanges, IEX Options plans to offer market maker quote protection mechanisms. Specifically, IEX will provide an optional market maker quote parameter designed to enable market makers to update their quotes based on a formula IEX has created to indicate that a price change is predicted be imminent.³

¹ Virtu is a leading financial firm that leverages cutting-edge technology to deliver liquidity to the global markets and innovative, transparent trading solutions to its clients. Virtu operates as a market maker across numerous exchanges in the U.S. and is a member of all U.S. registered stock exchanges. Virtu’s market structure expertise, broad diversification, and execution technology enable it to provide competitive bids and offers in over 25,000 securities, at over 235 venues, in 36 countries worldwide.

² Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing of Amendment No. 3 to a Proposed Rule Change to Adopt Rules to Govern the Trading of Options on the Exchange for a New Facility Called IEX Options, Release No. 34-103290, File No. SR-IEX-2025-02 (June 24, 2025), available at <https://www.federalregister.gov/documents/2025/06/24/2025-11525/self-regulatory-organizations-investors-exchange-llc-notice-of-filing-of-amendment-no-3-to-a>

³ Id. at p. 26865.



Virtu has long been a vocal proponent of smart, data-driven regulation that supports the goals of enhancing transparency, fostering robust competition among market participants, and ensuring the high quality of the retail investor experience. We have also been supportive of efforts by market participants that introduce innovative new products and services that enhance the investor experience and make our markets more efficient. We believe that IEX's Proposal represents a well-intentioned effort to advance these objectives. We recognize that some market participants have articulated concerns with the Proposal which we understand that IEX has addressed with data in its subsequent filings⁴ with the Commission.

Virtu's clients benefit greatly from access to a wide variety of market centers and from innovative offerings that enhance liquidity. We believe that the introduction of new trading venues has the potential to promote competition, foster innovation, and possibly deliver better trading outcomes for all market participants.

A key feature of IEX's Proposal is the Options Risk Parameter (ORP) Indicator, which IEX believes will protect market makers from excessive risk using a formula that assesses the probability of an imminent adverse price change. When the formula determines a price change is imminent, the feature allows a market maker to automatically cancel or reprice its quote, based on predefined instructions. The proposed ORP feature may enable market makers to provide more competitive and deeper quotes, ultimately benefiting all market participants. Virtu is not in the business of picking winners and losers in terms of business models or offerings; Virtu believes the ORP could be an innovative risk management and execution efficiency tool in the execution toolbox.

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⁴ <https://www.sec.gov/comments/sr-iex-2025-02/sriex202502-615827-1806874.pdf>



Virtu appreciates the Commission's attention to this comment letter. The U.S. capital markets are the most vibrant, liquid, and transparent in the world, and it is essential to foster innovation to ensure they continue to thrive. We acknowledge IEX's efforts to create another market center that may promote greater market access for investors.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Thomas M. Merritt", with a stylized flourish at the end.

Thomas M. Merritt
Deputy General Counsel

cc: The Honorable Paul S. Atkins, Chairman
The Honorable Hester M. Peirce, Commissioner
The Honorable Caroline A. Crenshaw, Commissioner
The Honorable Mark T. Uyeda, Commissioner
Mr. Jamie Selway, Director, Division of Trading and Markets