



Regulatory Notice 23-13

DATE: September 15, 2023

TO: All Members of MEMX LLC

FROM: MEMX Regulation

Re: Signaling of Impending Orders and Prearranged Trading

This regulatory notice is being provided by MEMX LLC (“MEMX”) to highlight the prohibition on two types of trading activities: (1) signaling of impending orders and (2) prearranged trading.

Signaling of Impending Orders: Engaging in a practice of entering orders to (a) signal the arrival of an impending order or (b) coordinate order flow with another market participant, is inconsistent with MEMX rules including the requirement to adhere to just and equitable principles of trade.

Prearranged Trading: MEMX also prohibits any purchase or sale transaction that is coupled with a direct or indirect agreement, arrangement, or understanding, to reverse such transaction. MEMX views such transactions as not subject to market risk and not done for legitimate economic purposes.

Rules related to these prohibited practices include, among others:

- MEMX Rule 3.1 Business Conduct of Members
- MEMX Rule 12.1 Market Manipulation
- MEMX Rule 12.2 Fictitious Transactions
- MEMX Rule 12.4 Manipulative Transactions

When appropriate, MEMX Regulation will investigate and pursue disciplinary action.

Additional Information

For questions or inquiries regarding regulatory matters, please contact MEMX Regulation: regulation@memx.com.

For MEMX rule interpretations, please contact: reginterps@memx.com.