



Martha Redding
Associate General Counsel
Assistant Secretary

New York Stock Exchange
11 Wall Street
New York, NY 10005

August 25, 2017

VIA E-MAIL

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: Securities Exchange Act Rel. 34-80799 (SR-NYSE-2017-23)

Dear Mr. Fields:

NYSE LLC, Inc. filed the attached Partial Amendment No. 1 to the above-referenced filing on August 25, 2017.

Sincerely,

A handwritten signature in blue ink, appearing to be the initials "BJF" followed by a stylized flourish.

(Encl. Pt. Amendment No. 1 to SR-NYSE-2017-23)

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 12	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2017 - * 23 Amendment No. (req. for Amendments *) 1
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Filing by New York Stock Exchange LLC
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposes to delete the Order Audit Trail System rules in the Rule 7400 Series and amend Rule 8211

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * David Last Name * De Gregorio
 Title * Senior Counsel NYSE Group Inc
 E-mail * [REDACTED]
 Telephone * [REDACTED] Fax [REDACTED]

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 08/25/2017 Associate General Counsel
 By Clare Saperstein [REDACTED]

(Name *)

Clare Saperstein,

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

SR-NYSE-2017-23, Partial Amendment No. 1

On May 22, 2017, the New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission” or “SEC”) proposed rule change SR-NYSE-2017-23 (the “Proposal”), pursuant to which the Exchange proposed to delete the Order Audit Trail System (“OATS”) rules in the Rule 7400 Series (the “OATS Rules”) and amend Rule 8211 governing submission of Electronic Blue Sheet trading data (“EBS”), as these Rules provide for the collection of information that is duplicative of the data collection requirements of the consolidated audit trail (“CAT”) once the Financial Industry Regulatory Authority (“FINRA”) publishes a notice announcing the date that it will retire its OATS and EBS rules.

The Commission published the proposed rule change for public comment in the Federal Register on June 2, 2017.¹ No comments were received to the Proposal.²

With this Partial Amendment No. 1, the NYSE is including Exhibit 4, which reflects changes to the text of the proposed rule change pursuant to this Partial Amendment No. 1, and Exhibit 5, which reflects the changes to the current rule text that are proposed in the Proposal, as amended by this Partial Amendment No. 1.

This Partial Amendment No. 1 makes the following changes to the Proposal: (1) it adds introductory language to the Rule 7400 Series to clarify that, if the SEC approves the proposed rule change, the Rule 7400 Series will be deleted from the Exchange’s Rules upon announcement by FINRA that the CAT has achieved a level of accuracy and reliability sufficient to replace OATS; and (2) it amends the Supplementary Material to Rule 8211 to clarify that the Exchange will not request trade data or information, and member organizations will not be required to provide trade data or information, pursuant to Rule 8211 for trades reported to the CAT after FINRA announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to its EBS rules.

Introductory Language to the OATS Rules

The National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan” or “Plan”),³ provides that the elimination of rules that are duplicative of the requirements of the CAT and the retirement of the related systems should be effective at

¹ Securities Exchange Act Release No. 80799 (May 26, 2017), 82 FR 25635 (June 2, 2017) (SR-NYSE-2017-023).

² FINRA received four comments on its rule filing referenced in the Proposal. See Securities Exchange Act Release No. 80783 (May 26, 2017), 82 FR 25423 (June 1, 2017) (Notice of Filing of SR-FINRA-2017-013). The Exchange has been advised that FINRA will be responding to these comments in a separate letter.

³ See Securities Exchange Act Release No. 79318 (Nov. 15, 2016), 81 FR 84696, 85010 (November 23, 2016) (File No. 4-698).

such time as CAT Data meets minimum standards of accuracy and reliability.⁴ The Proposal notes that FINRA believes that the OATS will be deleted once (1) the CAT achieves the specific accuracy and reliability standards described in the Proposal, and (2) FINRA has determined that its usage of the CAT has not revealed material issues that have not been corrected, confirmed that the CAT includes all data necessary to allow FINRA to continue to meet its surveillance obligations, and confirmed that the Plan Processor is sufficiently meeting all of its obligations under the Plan.

If the Commission approves the proposed rule change, the rule text to delete the OATS Rules will be effective; however, the amendments will not be implemented until FINRA publishes a notice announcing the date that it will retire its OATS rules, at which time the Exchange will publish a regulatory notice announcing implementation date of the proposed rule change. FINRA will publish its notice once it concludes that the thresholds for accuracy and reliability described in the Proposal have been met and that the CAT Plan Processor is sufficiently meeting all of its obligations. Because the time period for implementation for the deletion of the OATS Rules could be significant, the Exchange is proposing in this Partial Amendment No. 1 to add language to Rule 7400 Series that would alert member organizations and associated persons that the SEC has approved a proposed rule change to remove the Rule 7400 Series from the Exchange's Rules upon announcement by FINRA that the CAT has achieved a level of accuracy and reliability sufficient to replace OATS. The rule text would also note that, upon the announcement by FINRA, member organizations and associated persons will no longer be required to record and report order information pursuant to the Rule 7400 Series. The Exchange believes that adding this language to the Rule 7400 Series would help to alert member organizations and associated persons of the status of the OATS Rules and is proposing that this language be added to Rule 7400 Series upon approval of the Proposal by the SEC.

Supplementary Material to Rule 8211

In addition to deleting the OATS Rules, the Proposal adds new Supplementary Material to Rule 8211 to clarify how the Exchange will request data after member organizations are reporting to the CAT. As noted in the Proposal, FINRA believes that the CAT must meet certain minimum accuracy and reliability standards before FINRA could rely on the CAT to replace existing regulatory tools, including EBS. Consequently, the proposed Supplementary Material would be implemented only after the CAT achieves the thresholds set forth in the Proposal. Unlike the OATS Rules, Rule 8211 will not be deleted; rather, the Proposal adds Supplementary Material to Rule 8211 to accommodate the fact that EBS requests will still be necessary for transactions occurring before the CAT is sufficiently accurate and reliable and for transactions involving securities that are not reportable to the CAT.

In this Partial Amendment No. 1, the Exchange proposes to revise the Supplementary Material to clarify that the Exchange will not request trade data or information, and

⁴ Appendix C of CAT NMS Plan, Approval Order at 85010.

member organizations will not be required to provide trade data or information, for trades reported to the CAT after FINRA announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to its EBS rule. In the Proposal, the proposed Supplementary Material stated that the Exchange will request information under Rule 8211 only if the information is not available in the CAT because, for example, the transactions in question occurred before the firm was reporting information to the CAT or involved securities that are not reportable to the CAT. The Exchange is proposing changes to this language to make clear that, after the CAT achieves the accuracy and reliability standards set forth in the Proposal, the Exchange would only use CAT to obtain trading information and will make requests under Rule 8211 only for transactions that occurred before the CAT achieved sufficient levels of accuracy and reliability or transactions that involve securities that are not reportable to the CAT (e.g., fixed income securities, OTC options).

Deletions: [Bracketed]

Marked Additions: Double-underlined

Marked Deletions: ~~Strikethrough~~

Exhibit 4 shows the changes proposed in this Partial Amendment No. 1, with the proposed changes in the original filing shown as if adopted. Proposed new language in this Partial Amendment No. 1 is double-underlined; proposed deletions in this Partial Amendment No. 1 are in brackets.

Rules of New York Stock Exchange LLC

* * * * *

[Order Audit Trail System - Rule 7400 Series

The SEC has approved a proposed rule change to remove the Rule 7400 Series from the Exchange's Rules upon announcement by FINRA that the Consolidated Audit Trail has achieved a level of accuracy and reliability sufficient to replace the Order Audit Trail System. Upon this announcement by FINRA, member organizations and associated persons will no longer be required to record and report order information pursuant to the Rule 7400 Series.

Rule 7410. Definitions

* * * * *

Rule 8211. Automated Submission of Trading Data Requested by the Exchange

* * * * *

••• *Supplementary Material* : -----

.01

The Exchange will not request trade data or information, and member organizations will not be required to provide trade data or information, for trades reported to the CAT after FINRA announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to its EBS rule.[The Exchange will request information pursuant to this Rule only if the information is not available in the CAT because, for example, the transactions in question occurred before the firm was reporting information to the CAT or involved securities that are not reportable to the CAT.]

* * * * *

Additions underlined
Deletions [bracketed]

Rules of New York Stock Exchange LLC

[Order Audit Trail System - Rule 7400 Series

The SEC has approved a proposed rule change to remove the Rule 7400 Series from the Exchange's Rules upon announcement by FINRA that the Consolidated Audit Trail has achieved a level of accuracy and reliability sufficient to replace the Order Audit Trail System. Upon this announcement by FINRA, member organizations and associated persons will no longer be required to record and report order information pursuant to the Rule 7400 Series.

Rule 7410. Definitions

For purposes of the Rule 7400 Series:

- (a) Terms shall have the same meaning as those defined in the Exchange Rules, unless otherwise specified.
- (b) "Bunched Order" shall mean two or more orders that are aggregated prior to execution.
- (c) "Customer" shall mean a person other than a broker or dealer.
- (d) "Electronic Communication Network" shall mean any electronic system that widely disseminates to third parties orders entered therein by an exchange market maker or over-the-counter market maker, and permits such orders to be executed in whole or in part, and as further defined in Rule 600(b)(23) of SEC Regulation NMS.
- (e) "Electronic Order" shall mean an order captured by a member organization in an electronic order-routing or execution system.
- (f) "Exchange System" shall mean the service provided by the Exchange that provides for the automated execution and reporting of transactions in NMS stocks.
- (g) "Index Arbitrage" shall mean a trading strategy in which pricing is based on discrepancies between a "basket" or group of stocks and the derivative index product (i.e. a basis trade) involving the purchase or sale of a "basket" or group of stocks in conjunction with the purchase or sale, or intended purchase or sale, of one or more derivative index products in an attempt to profit by the price difference between the

"basket" or group of stocks and the derivative index products. While the purchase or sale of the stocks must be in conjunction with the purchase or sale of derivative index products, the transaction need not be executed contemporaneously to be considered index arbitrage. The term "derivative index products" refers to cash-settled options or futures contracts on index stock groups, and options on any such futures contracts.

- (h) "Intermarket sweep order" shall have the same meaning as contained in Rule 600(b)(30) of SEC Regulation NMS.
- (i) "Manual Order" shall mean an order that is captured by a member organization other than in an electronic order-routing or execution system.
- (j) "NMS stock" shall have the same meaning as contained in Rule 600(b)(47) of SEC Regulation NMS.
- (k) "Order" shall mean any oral, written, or electronic instruction to effect a transaction in an NMS stock that is received by a member organization from another person for handling or execution, or that is originated by a department of a member organization for execution by the same or another member organization, other than any such instruction to effect a proprietary transaction originated by a trading desk in the ordinary course of a member organization's market making activities.
- (l) "Order Audit Trail System" shall mean the automated system owned and operated by FINRA that is designed to capture order information in NMS stocks reported by member organizations for integration with trade and quotation information to provide the Exchange with an accurate time sequenced record of orders and transactions.
- (m) "Program Trading" means either (A) index arbitrage or (B) any trading strategy involving the related purchase or sale of a "basket" or group of 15 or more stocks. Program trading includes the purchases or sales of stocks that are part of a coordinated trading strategy, even if the purchases or sales are neither entered nor executed contemporaneously, nor part of a trading strategy involving options or futures contracts on an index stock group, or options on any such futures contracts, or otherwise relating to a stock market index.
- (n) "Reporting Agent" shall mean a third party that enters into any agreement with a member organization pursuant to which the Reporting Agent agrees to fulfill such member organization's obligations under Rule 7450.
- (o) "Reporting Member Organization" shall mean a member organization that receives or originates an order and has an obligation to record and report information under Rules 7440 and 7450.

- (1) A member organization shall not be considered a Reporting Member Organization in connection with an order, if the following conditions are met:
 - (A) the member organization engages in a non-discretionary order routing process, pursuant to which it immediately routes, by electronic or other means, all of its orders to a single receiving Reporting Member Organization;
 - (B) the member organization does not direct and does not maintain control over subsequent routing or execution by the receiving Reporting Member Organization;
 - (C) the receiving Reporting Member Organization records and reports all information required under Rules 7440 and 7450 with respect to the order; and
 - (D) the member organization has a written agreement with the receiving Reporting Member Organization specifying the respective functions and responsibilities of each party to effect full compliance with the requirements of Rules 7440 and 7450.

- (2) A member organization shall not be considered a Reporting Member Organization in connection with an order if:
 - (A) the member organization was approved as a member organization pursuant to NASD IM-1013-1 or NASD IM-1013-2;
 - (B) the member organization operates consistent with NASD IM-1013-1 or NASD IM-1013-2, including limiting its business operations to "permitted floor activities," as that term is defined in NASD IM-1013-1 and NASD IM-1013-2; and
 - (C) the order was received by the member organization through systems operated and regulated by the Exchange.

- (p) "Proprietary Trading Firm" shall mean a member organization that trades its own capital and that does not have "customers," as that term is defined in NYSE Rule 7410(c), and that is not a FINRA member. The funds used by a Proprietary Trading firm must be exclusively firm funds and all trading must be in the firm's accounts. Traders must be owners of, employees of, or contractors to the firm.

Rule 7420. Applicability

- (a) Unless otherwise indicated, the requirements of the Rule 7400 Series are in addition to the requirements contained elsewhere in Exchange Rules.

- (b) Unless otherwise indicated, the requirements of the Rule 7400 Series shall apply to all member organizations and to their associated persons.

(c) Unless otherwise indicated, the requirements of the Rule 7400 Series shall apply to all executed or unexecuted orders for all NMS stocks traded on the Exchange.

••• **Supplementary Material** : -----

.01 "associated person". For the purposes of this Rule, the term "associated person" shall have the same meaning as the terms "person associated with a member" or "associated person of a member" as defined in Article I (rr) of the FINRA By-Laws.

Rule 7430. Synchronization of Member Organization Business Clocks

Each member organization shall synchronize its business clocks that are used for purposes of recording the date and time of any event that must be recorded pursuant to the Rules of the Exchange, with reference to a time source as designated by the Exchange, and shall maintain the synchronization of such business clocks in conformity with such procedures as are prescribed by the Exchange.

Rule 7440. Recording of Order Information

(a) Member organizations and associated persons shall comply with FINRA Rule 7440 as if such Rule were part of the Exchange's rules. The Exchange and FINRA are parties to the Regulatory Services Agreement pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, member organizations are complying with NYSE Rule 7440 by complying with FINRA Rule 7440 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under NYSE Rule 7440 are being performed by FINRA on behalf of the Exchange.

(b) For purposes of this Rule, references to Rules 7420 through 7460 shall be construed as references to NYSE Rules 7420 through 7460.

(c) Member organizations shall assign and enter a unique order identifier, in the form prescribed by the Exchange, to all orders that are electronically transmitted to the Exchange. An order identifier shall not be required for orders that are manually transmitted.

Rule 7450. Order Data Transmission Requirements

(a) Except as provided in paragraph (b), member organizations and associated persons shall comply with FINRA Rule 7450 as if such Rule were part of the Exchange's rules. The Exchange and FINRA are parties to the Regulatory Services Agreement pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, member organizations are complying with NYSE Rule 7450 by complying with FINRA Rule 7450 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and

FINRA staff under NYSE Rule 7450 are being performed by FINRA on behalf of the Exchange.

(b) Proprietary Trading Firms shall be required to comply with FINRA Rule 7450 as if such Rule were part of the Exchange's rules, only when they receive a request from the Exchange to submit order information with respect to specific time periods identified in such request. Nothing in this Rule shall be construed to limit the obligations of Proprietary Trading Firms under any other Rule of the 7400 Series, including but not limited to, Rule 7440.

(c) For purposes of this Rule, references to Rule 7440 shall be construed as references to NYSE Rule 7440.

Rule 7460. Violation of Order Audit Trail System Rules

Failure of a member organization or associated person to comply with any of the requirements of Rule 7410 through Rule 7460 may be considered conduct that is inconsistent with high standards of commercial honor and just and equitable principles of trade, in violation of Rule 2010.

Rule 7470. Exemption to the Order Recording and Data Transmission Requirements

(a) The Exchange, for good cause shown after taking into consideration all relevant factors, may exempt subject to specified terms and conditions, a member organization from the recording and order data transmission requirements of Rules 7440 and 7450, respectively, for manual orders, if such exemption is consistent with the protection of investors and the public interest, and the member organization meets the following criteria:

- (1) the member organization and current control affiliates and associated persons have not been subject within the last five years to any final disciplinary action, and within the last ten years to any disciplinary action involving fraud;
- (2) the member organization has annual revenues of less than \$2 million;
- (3) the member organization does not conduct any market making activities in NMS stocks;
- (4) the member organization does not execute principal transactions with its customers (with limited exception for principal transactions executed pursuant to error corrections); and
- (5) the member organization does not conduct clearing or carrying activities for other firms.

(b) An exemption provided pursuant to this Rule shall not exceed a period of two years. At or prior to the expiration of a grant of exemptive relief under this Rule, a member organization meeting the criteria set forth in paragraph (a) above may request a subsequent exemption, which will be considered at the time of the request consistent with the protection of investors and the public interest.

(c) This Rule shall be in effect until November 15, 2019.]

Rule 8211. Automated Submission of Trading Data Requested by the Exchange

••• Supplementary Material : -----

.01

The Exchange will not request trade data or information, and member organizations will not be required to provide trade data or information, for trades reported to the CAT after FINRA announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to its EBS rule.
