



Martha Redding
Associate General Counsel
Assistant Secretary

July 9, 2018

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. 34-83601 SR-NYSE-2018-31

Dear Mr. Fields:

NYSE LLC, Inc. filed the attached Amendment No. 1 to the above-referenced filing on July 5, 2018.

Sincerely,

A handwritten signature in blue ink, appearing to be "B. Fields", written in a cursive style.

(Encl. Amendment No. 1 to SR-NYSE-2018-31)

Required fields are shown with yellow backgrounds and asterisks.

Filing by New York Stock Exchange LLC
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<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) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

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

Description

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

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 * Last Name *

Title *

E-mail *

Telephone * Fax

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 Associate General Counsel

By

(Name *)

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 EFFF website.

Form 19b-4 Information *

Add Remove View

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 *

Add Remove View

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 *

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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.

1. Text of the Proposed Rule Change

- (a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² New York Stock Exchange LLC (“NYSE” or the “Exchange”) proposes to require certain member organizations to participate in scheduled Market-Wide Circuit Breaker testing. This Amendment No.1 supersedes the original filing in its entirety.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached as Exhibit 5.

- (b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action by the Board of Directors or the membership of the Exchange is required. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Samir M. Patel
Senior Counsel
NYSE Group, Inc.
[REDACTED]

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

- (a) Purpose

The Exchange proposes to amend NYSE Rule 49 to require certain member organizations to participate in scheduled Market-Wide Circuit Breaker

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

(“MWCB”) testing.

MWCBs are important, automatic mechanisms that are invoked to promote stability and investor confidence during a period of significant stress when securities markets experience extreme broad-based declines. MWCBs are designed to slow the effects of extreme price movement through coordinated trading halts across securities markets when severe price declines reach levels that may exhaust market liquidity. All U.S. equity and options exchanges have established procedures that allow for trading to be halted, or under extreme circumstances, for markets to be closed before the normal close of trading for a trading day. MWCBs provide for trading halts in all equities and options markets during a severe market decline as measured by a single-day decline in the S&P 500 Index.

Pursuant to NYSE Rule 80B (Trading Halts Due to Extraordinary Market Volatility), a market-wide trading halt will be triggered if the S&P 500 Index declines in price by specified percentages from the prior day’s closing price of that index. Currently, the triggers are set at three circuit breaker thresholds: 7% (Level 1), 13% (Level 2) and 20% (Level 3). A market decline that triggers a Level 1 or Level 2 circuit breaker after 9:30 a.m. ET and before 3:25 p.m. ET would halt market-wide trading for 15 minutes, while a similar market decline at or after 3:25 p.m. ET would not halt market-wide trading. A market decline that triggers a Level 3 circuit breaker, at any time during the trading day, would halt market-wide trading for the remainder of the trading day.

The Security Information Processors (“SIP”) for the U.S. equity markets have established a quarterly MWCB testing schedule.³ On the scheduled dates, the Consolidated Tape Association Plan (“CTA Plan”) and the Consolidated Quotation Plan (“CQ” Plan”) (collectively “the CTA/CQ Plans”)⁴ and the Nasdaq/UTP Plan⁵ conduct MWCB testing that allows market participants across the

³ See https://www.nyse.com/publicdocs/ctaplan/notifications/trader-update/CTS_CQS%202018_Failover%20Testing_Q1.pdf.

⁴ The CTA/CQ Plans govern the collection, consolidation, processing and dissemination of last sale and quotation information for Network A and Network B securities. Network A refers to securities listed on NYSE and Network B refers to securities listed on exchanges other than the Nasdaq Stock Market LLC (“Nasdaq”).

⁵ The Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis (“Nasdaq/UTP Plan”) governs the collection, consolidation, processing, and dissemination of last sale and quotation information for Network C securities. Network C refers to securities listed on Nasdaq.

securities industry to test their ability to receive messages associated with MWCBs, including decline status, halt and resume messages. Market participants are also able to participate in testing of re-opening auctions following market-wide circuit breaker halts.

The Exchange believes the quarterly tests are critical to ensure that securities markets halt trading and subsequently re-open in a manner consistent with the MWCB rules. To that end, the Exchange believes that certain member organizations should be required to participate in scheduled MWCB tests. The proposed rule would provide the Exchange with authority to require participation by member organizations in industry-wide tests to validate that their processing in the event of MWCB is as expected within their systems.

In 2015, in connection with Regulation Systems Compliance and Integrity (“Regulation SCI”), the Exchange adopted rules to require certain member organizations to participate in testing of the operation of the Exchange’s business continuity and disaster recovery plans. The Exchange similarly believes that requiring member organizations to participate in mandatory MWCB testing because they, for example, account for a significant portion of the Exchange’s overall volume or maintain exclusive responsibilities with respect to Exchange-listed securities, would be a reasonable means to ensure the maintenance of a fair and orderly market. Because member organizations required to participate in Regulation SCI testing have already been identified as essential for the maintenance of a fair and orderly market, the Exchange believes these same member organizations should also be required to participate in scheduled MWCB testing. Accordingly, the Exchange proposes new Rule 49(c)(1), which would provide that each member organization notified of its obligation to participate in mandatory testing pursuant to standards established under paragraphs (b)(1) and (3)⁶ of Rule 49 would also be required to participate in scheduled MWCB testing, in the manner and frequency specified by the Exchange.

Currently, the annual Regulation SCI test is conducted in October of each calendar year and at least three (3) months prior to such test, the Exchange provides a notice to member organizations that are required to participate in such test (“SCI Notice”). The Exchange proposes that future SCI Notices would also include notification to member organizations of their obligation to participate in a scheduled MWCB test.

Finally, proposed Rule 49(c)(2) would provide that member organizations not

⁶ Paragraph (b)(1) of Rule 49 establishes standards for the designation of member organizations that the Exchange determines are necessary to participate in business continuity and disaster recovery plans testing in connection with Regulation SCI. See Securities Exchange Act Release No. 76346 (November 4, 2015), 80 FR 69765 (November 10, 2015).

required to participate in a scheduled MWCB test pursuant to standards established in paragraphs (b)(1) and (3) of Rule 49 would be permitted to participate in a scheduled MWCB test.

The Exchange proposes to implement the proposed rule change at the same time that the Exchange notifies member organizations of required participation in the 2019 Regulation SCI industry test.⁷ The 2019 SCI Notice would identify the member organizations that would be required to participate in scheduled MWCB testing. Member organizations notified in the 2019 SCI Notice of their obligation to participate in a scheduled MWCB test would be required to participate in such test on at least one of the testing dates established by the SIPs.⁸

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ in particular, because it is 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 mechanisms of, a free and open market and a national market system and, in general, to protect investors and the public interest and because it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers..

The proposed rule requiring member organizations to participate in mandatory MWCB testing would enable the Exchange, participating member organizations, and others to evaluate the readiness of such member organizations in the event of unanticipated market volatility. The proposal would also ensure that the member organizations necessary to ensure the maintenance of a fair and orderly market are properly designated as such designation would be determined by the same clear and objective standards used by the Exchange currently to determine which member organizations are required to participate in mandatory Regulation SCI testing.

⁷ Member organizations were notified of required participation for the 2018 Regulation SCI test scheduled for October 13, 2018 in April 2018. As noted above, the Exchange encourages all member organizations to test voluntarily but believes that implementing the new rule in 2019 would provide member organizations with adequate time to prepare for a scheduled MWCB test.

⁸ See supra, note 3.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

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

The Exchange does not believe that the proposed rule change would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that requiring participation in MWCB testing does not impose an undue burden on competition that is not necessary or appropriate because member organizations required to participate in MWCB testing under the proposal have been designated by the Exchange as essential to the maintenance of a fair and orderly market, such that their demonstrated ability to halt and subsequently re-open trading in response to an emergency should contribute to a fair and orderly market for the benefit of all market participants.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time period specified in Section 19(b)(2)¹¹ of the Act.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

¹¹ 15 U.S.C. 78s(b)(2).

Exhibit 1 – Form of Notice of Proposed Rule Change for Federal Register

Exhibit 5 – Text of Proposed Rule Change

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-NYSE-2018-31, Amendment No. 1)

[Date]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change to Require Certain Member Organizations to Participate in Scheduled Market-Wide Circuit Breaker Testing

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 July 5, 2018, New York Stock Exchange LLC (“NYSE” 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

The Exchange proposes to require certain member organizations to participate in scheduled Market-Wide Circuit Breaker testing. This Amendment No.1 supersedes the original filing in its entirety. The proposed rule change is available on the Exchange’s website at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend NYSE Rule 49 to require certain member organizations to participate in scheduled Market-Wide Circuit Breaker ("MWCB") testing.

MWCBs are important, automatic mechanisms that are invoked to promote stability and investor confidence during a period of significant stress when securities markets experience extreme broad-based declines. MWCBs are designed to slow the effects of extreme price movement through coordinated trading halts across securities markets when severe price declines reach levels that may exhaust market liquidity. All U.S. equity and options exchanges have established procedures that allow for trading to be halted, or under extreme circumstances, for markets to be closed before the normal close of trading for a trading day. MWCBs provide for trading halts in all equities and options markets during a severe market decline as measured by a single-day decline in the S&P 500 Index.

Pursuant to NYSE Rule 80B (Trading Halts Due to Extraordinary Market

Volatility), a market-wide trading halt will be triggered if the S&P 500 Index declines in price by specified percentages from the prior day's closing price of that index. Currently, the triggers are set at three circuit breaker thresholds: 7% (Level 1), 13% (Level 2) and 20% (Level 3). A market decline that triggers a Level 1 or Level 2 circuit breaker after 9:30 a.m. ET and before 3:25 p.m. ET would halt market-wide trading for 15 minutes, while a similar market decline at or after 3:25 p.m. ET would not halt market-wide trading. A market decline that triggers a Level 3 circuit breaker, at any time during the trading day, would halt market-wide trading for the remainder of the trading day.

The Security Information Processors ("SIP") for the U.S. equity markets have established a quarterly MWCB testing schedule.⁴ On the scheduled dates, the Consolidated Tape Association Plan ("CTA Plan") and the Consolidated Quotation Plan ("CQ" Plan") (collectively "the CTA/CQ Plans")⁵ and the Nasdaq/ UTP Plan⁶ conduct MWCB testing that allows market participants across the securities industry to test their ability to receive messages associated with MWCBs, including decline status, halt and resume messages. Market participants are also able to participate in testing of re-opening

⁴ See https://www.nyse.com/publicdocs/ctaplan/notifications/trader-update/CTS_CQS%202018_Failover%20Testing_Q1.pdf.

⁵ The CTA/CQ Plans govern the collection, consolidation, processing and dissemination of last sale and quotation information for Network A and Network B securities. Network A refers to securities listed on NYSE and Network B refers to securities listed on exchanges other than the Nasdaq Stock Market LLC ("Nasdaq").

⁶ The Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis ("Nasdaq/UTP Plan") governs the collection, consolidation, processing, and dissemination of last sale and quotation information for Network C securities. Network C refers to securities listed on Nasdaq.

auctions following market-wide circuit breaker halts.

The Exchange believes the quarterly tests are critical to ensure that securities markets halt trading and subsequently re-open in a manner consistent with the MWCB rules. To that end, the Exchange believes that certain member organizations should be required to participate in scheduled MWCB tests. The proposed rule would provide the Exchange with authority to require participation by member organizations in industry-wide tests to validate that their processing in the event of MWCB is as expected within their systems.

In 2015, in connection with Regulation Systems Compliance and Integrity (“Regulation SCI”), the Exchange adopted rules to require certain member organizations to participate in testing of the operation of the Exchange’s business continuity and disaster recovery plans. The Exchange similarly believes that requiring member organizations to participate in mandatory MWCB testing because they, for example, account for a significant portion of the Exchange’s overall volume or maintain exclusive responsibilities with respect to Exchange-listed securities, would be a reasonable means to ensure the maintenance of a fair and orderly market. Because member organizations required to participate in Regulation SCI testing have already been identified as essential for the maintenance of a fair and orderly market, the Exchange believes these same member organizations should also be required to participate in scheduled MWCB testing. Accordingly, the Exchange proposes new Rule 49(c)(1), which would provide that each member organization notified of its obligation to participate in mandatory testing pursuant to standards established under paragraphs (b)(1) and (3)⁷ of Rule 49 would also

⁷ Paragraph (b)(1) of Rule 49 establishes standards for the designation of member

be required to participate in scheduled MWCB testing, in the manner and frequency specified by the Exchange.

Currently, the annual Regulation SCI test is conducted in October of each calendar year and at least three (3) months prior to such test, the Exchange provides a notice to member organizations that are required to participate in such test (“SCI Notice”). The Exchange proposes that future SCI Notices would also include notification to member organizations of their obligation to participate in a scheduled MWCB test.

Finally, proposed Rule 49(c)(2) would provide that member organizations not required to participate in a scheduled MWCB test pursuant to standards established in paragraphs (b)(1) and (3) of Rule 49 would be permitted to participate in a scheduled MWCB test.

The Exchange proposes to implement the proposed rule change at the same time that the Exchange notifies member organizations of required participation in the 2019 Regulation SCI industry test.⁸ The 2019 SCI Notice would identify the member organizations that would be required to participate in scheduled MWCB testing. Member organizations notified in the 2019 SCI Notice of their obligation to participate in a scheduled MWCB test would be required to participate in such test on at least one of the

organizations that the Exchange determines are necessary to participate in business continuity and disaster recovery plans testing in connection with Regulation SCI. See Securities Exchange Act Release No. 76346 (November 4, 2015), 80 FR 69765 (November 10, 2015).

⁸ Member organizations were notified of required participation for the 2018 Regulation SCI test scheduled for October 13, 2018 in April 2018. As noted above, the Exchange encourages all member organizations to test voluntarily but believes that implementing the new rule in 2019 would provide member organizations with adequate time to prepare for a scheduled MWCB test.

testing dates established by the SIPs.⁹

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, because it is 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 mechanisms of, a free and open market and a national market system and, in general, to protect investors and the public interest and because it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers..

The proposed rule requiring member organizations to participate in mandatory MWCB testing would enable the Exchange, participating member organizations, and others to evaluate the readiness of such member organizations in the event of unanticipated market volatility. The proposal would also ensure that the member organizations necessary to ensure the maintenance of a fair and orderly market are properly designated as such designation would be determined by the same clear and objective standards used by the Exchange currently to determine which member organizations are required to participate in mandatory Regulation SCI testing.

⁹ See supra, note 4.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

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

The Exchange does not believe that the proposed rule change would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that requiring participation in MWCB testing does not impose an undue burden on competition that is not necessary or appropriate because member organizations required to participate in MWCB testing under the proposal have been designated by the Exchange as essential to the maintenance of a fair and orderly market, such that their demonstrated ability to halt and subsequently re-open trading in response to an emergency should contribute to a fair and orderly market for the benefit of all market participants.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Within 45 days of the date of publication of this notice in the Federal Register or up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2018-31 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSE-2018-31. This file number should be included on the subject line if e-mail 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m.

and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2018-31 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Robert W. Errett
Deputy Secretary

¹² 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Proposed new language is underlined;
Proposed deletions are in [brackets].

Rules of New York Stock Exchange LLC

* * * * *

Rule 49. Exchange Business Continuity and Disaster Recovery Plans and Mandatory Testing

(a) Disaster Recovery Facility

(1) As part of its business continuity and disaster recovery plans, the Exchange maintains a Disaster Recovery Facility, which is a secondary data center located in a geographically diverse location.

(2) If the Exchange determines under Rule 51 to trade Exchange-traded securities on its Disaster Recovery Facility:

(A) The 11 Wall Street facilities will not be available for trading.

(B) Opening and reopening auctions will be subject to Rule 123D(a)(2) - (6) and closing auctions will be subject to Supplementary Material .10 to Rule 123C.

(C) Any unexecuted orders entered into Exchange systems before trading on the Disaster Recovery Facility begins will be deemed cancelled and will be purged from Exchange systems.

(D) Member organizations registered as Designated Market Makers ("DMM") will not be subject to any DMM obligations or benefits under Exchange rules while securities trade on the Disaster Recovery Facility.

(3) Member organizations wishing to trade on the Exchange's Disaster Recovery Facility are responsible for having contingency plans for establishing connectivity to such facility and changing the routing instructions for their order entry systems to send bids and offers in Exchange-traded securities to such facility.

(b) Exchange Backup Systems and Mandatory Testing

(1) The Exchange will establish standards for the designation of member organizations it reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of the Exchange's business continuity and disaster recovery plans.

- (2) Member organizations designated pursuant to standards established in paragraph (b)(1) of this Rule will be required to participate in scheduled functional and performance testing of the Exchange's business continuity and disaster recovery plans in the manner and frequency specified by the Exchange, which shall not be less than once every 12 months.
- (3) Designated Market Makers and Supplemental Liquidity Providers that have been determined by the Exchange to contribute a meaningful percentage of the Exchange's overall volume, measured on a quarterly or monthly basis, will be required to participate in scheduled functional and performance testing. The Exchange may also consider other factors in determining the member organizations that will be required to participate in scheduled functional and performance testing, including average daily volume traded on the Exchange measured on a quarterly or monthly basis, or member organizations who collectively account for a certain percentage of market share on the Exchange.
- (4) At least three (3) months prior to a scheduled functional and performance testing of the Exchange's business continuity and disaster recovery plans, the Exchange will publish the criteria to be used by the Exchange to determine which member organizations will be required to participate in such testing, and notify those member organizations that are required to participate based on such criteria.
- (5) Member organizations not designated pursuant to standards established in paragraph (b)(1) of this Rule are permitted to connect to the Exchange's backup systems and may participate in scheduled functional and performance testing of the Exchange's business continuity and disaster recovery plans.

(c) Market-Wide Circuit Breaker ("MWCB") Mandatory Testing

- (1) Each member organization designated pursuant to paragraphs (b)(1) and (3) of this Rule to participate in Exchange Backup Systems and Mandatory Testing will be required to participate in scheduled MWCB testing in the manner and frequency specified by the Exchange. The Exchange will notify member organizations of this additional testing obligation at the same time as such member organizations are notified under paragraph (b)(4).
- (2) Member organizations not designated pursuant to standards established in paragraphs (b)(1) and (3) of this Rule are permitted to participate in a scheduled MWCB testing.

* * * * *