Martha Redding
Associate General Counsel
Assistant Secretary

December 15, 2020

VIA E-MAIL

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

Re: Securities Exchange Act Rel. 34-90309 (SR-NYSE-2020-87)

Dear Mr. Fields:

NYSE LLC, Inc. filed the attached Amendment No. 1 to the above-referenced filing on December 15, 2020.

Sincerely,

(Encl. Amendment No. 1 to (SR-NYSE-2020-87)

OMB APPROVAL
OMB Number: 3235-0045 Estimated average burden hours per response...........38

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2020 - * 87
Amendment No. (req. for Amendments *) 1

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) *
☐	☑	☐	☑	☐	☐

Rule

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 19b-4(f)(6)

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

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 * Le-Anh Last Name * Bui

Title * Counsel

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.

Date 12/15/2020

By David De Gregorio

(Name *)

(Title *)

Senior Counsel

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.

David De Gregorio,

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS 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 (the "Act")[1] and Rule 19b-4 thereunder,[2] the New York Stock Exchange LLC ("NYSE" or the "Exchange") proposes to amend Rule 7.31 to add two new types of Self Trade Prevention modifiers.

This Amendment No. 1 to SR-NYSE-2020-87 replaces and 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.

(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 change are complete.

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

Le-Anh Bui
Counsel
NYSE Group, Inc.
(212) 656-2225

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 Rule 7.31 (Orders and Modifiers) to provide for two additional types of Self Trade Prevention Modifiers.

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

Specifically, the Exchange proposes to amend Rule 7.31(i)(2), which sets forth the Self Trade Prevention ("STP") modifiers on the Exchange. As defined in Rule 7.31(i)(2), any incoming order to buy (sell) designated with an STP modifier would be prevented from trading with a resting order to sell (buy) also designated with an STP modifier and from the same Client ID,[3] as designated by the member organization. The STP modifier on the incoming order controls how the Exchange evaluates the interaction between two orders marked with STP modifiers. The Exchange evaluates the interaction between two orders marked with STP modifiers from the same Client ID consistent with the allocation logic applicable to the priority category of the resting order, and if resting orders in a priority category do not have an STP modifier from the same Client ID, the incoming order designated with an STP modifier would trade with resting orders in that priority category before being evaluated for STP with resting orders in the next priority category.

Currently, the Exchange offers two versions of STP: STP Cancel Newest ("STPN") and STP Cancel Oldest ("STPO"), as described in Rules 7.31(i)(2)(A) and 7.31(i)(2)(B), respectively. The Exchange proposes to expand its STP offerings to establish STP Decrement and Cancel ("STPD") and STP Cancel Both ("STPC"), which would be set forth in proposed Rules 7.31(i)(2)(C) and 7.31(i)(2)(D), respectively. The proposed STPD and STPC offerings are based in part on the STPD and STPC offerings on the Exchange's affiliates NYSE Arca, Inc. ("NYSE Arca"), NYSE American LLC ("NYSE American"), NYSE Chicago, Inc. ("NYSE Chicago"), and NYSE National, Inc. ("NYSE National") (collectively, the "Affiliated Exchanges"),[4] with differences to separately describe order processing for orders that are allocated in price-time priority and how STPD and STPC would function consistent with the Exchange's parity allocation model.

For STPD, proposed Rule 7.31(i)(2)(C) would provide that an incoming order to buy (sell) with an STPD modifier would not trade with resting interest to sell (buy) marked with any of the STP modifiers from the same Client ID, as outlined in proposed Rules 7.31(i)(2)(C)(i) and (ii).

Proposed Rule 7.31(i)(2)(C)(i) would apply to resting orders in a priority category that allocates orders on price-time priority. As proposed, if both orders with an STP modifier are equivalent in size, both orders would be cancelled back to the originating member organization. If the orders are not equivalent in size, the equivalent size would be cancelled back to the originating Client ID and the larger

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[3] As specified in current Rule 7.31(i)(2)(D), for purposes of STP, references to Client ID mean a Client ID when using Pillar phase I protocols to communicate with the Exchange or an MPID when using Pillar phase II protocols to communicate with the Exchange.

[4] <u>See</u> NYSE Arca Rule 7.31-E(i)(2); NYSE American Rule 7.31E(i)(2); NYSE National Rule 7.31(i)(2); and NYSE Chicago Rule 7.31(i)(2).

order would be decremented by the size of the smaller order, with the balance remaining on the Exchange Book. This proposed functionality is based on the STPD functionality available on the Affiliated Exchanges.

Proposed Rule 7.31(i)(2)(C)(ii) would address how STPD would function for resting orders in a priority category that allocates orders on parity. As proposed, if a resting order would have been considered for an allocation, both the portion of the resting order that would receive an allocation and the portion of the incoming order marked with the STPD modifier that would be allocated to the resting order would be cancelled back to the originating member organization. Resting orders with an STP modifier from the same Client ID that would not have been eligible for a parity allocation would remain on the Exchange Book. The Exchange believes that if a member organization designates an order with an STPD modifier, that member organization has instructed the Exchange to cancel the equivalent portion of both the incoming order and resting order with an STP modifier from the same Client ID, resulting in the larger order being decremented by the size of the smaller order and remaining on the Exchange Book. In the case of a parity allocation, because resting orders are allocated based on their position on an allocation wheel,[5] it would be consistent with the incoming order's decrementing instruction to provide a parity allocation to an eligible resting order with an STP modifier from the same Client ID and cancel both the portion of the resting order corresponding to the allocation and the portion of the incoming order that would have been allocated to the resting order. This proposed functionality is similar to how the Exchange currently processes STPO modifiers if a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity, as described in Rule 7.31(i)(2)(B)(ii).

For STPC, proposed Rule 7.31(i)(2)(D) would provide that an incoming order to buy (sell) marked with the STPC modifier would not trade with resting interest to sell (buy) marked with any of the STP modifiers from the same Client ID, as outlined in proposed Rules 7.31(i)(2)(D)(i) and (ii).

Proposed Rule 7.31(i)(2)(D)(i) would apply to resting orders in a priority category that allocates orders on price-time priority. As proposed, the entire size of both orders with an STP modifier would be cancelled back to the originating member organization. This proposed functionality is based on the STPC functionality available on the Affiliated Exchanges.

Proposed Rule 7.31(i)(2)(D)(ii) would address how STPC would function for resting orders in a priority category that allocates orders on parity. As proposed, if a resting order is in a priority category that allocates orders on parity and would have been considered for an allocation, none of the resting orders eligible for a parity allocation in that priority category would receive an allocation. The first resting order with an STP modifier eligible for a parity allocation would be

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5 See Rule 7.37(b)(2).

cancelled back, as would the incoming order. The Exchange believes that this proposed processing would be consistent with the member organization's instruction that both the incoming order and resting order with an STP modifier from the same Client ID be cancelled if there were a potential for an execution between the two orders. This proposed functionality is similar to how the Exchange currently processes STPN modifiers if a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity, as described in Rule 7.31(i)(2)(A)(ii).

The Exchange also proposes non-substantive changes to renumber current Rules 7.31(i)(2)(C) and 7.31(i)(2)(D) as Rules 7.31(i)(2)(E) and 7.31(i)(2)(F) to accommodate the addition of the proposed rules governing STPD and STPC. The Exchange also proposes a conforming change to current Rules 7.31(d)(4)(F) and 7.31(i)(2)(C) to clarify that D Orders could only be designated with an STPN or STPO modifier (i.e., that the new STPD and STPC modifiers would not be available for use with D Orders). The Exchange also proposes to amend current Rule 7.31(i)(2)(D) to specify that STPD and STPC modifiers would only be available for use with Pillar phase II protocols.

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Because of the technology changes associated with this proposed rule change, the Exchange will announce the implementation date by Trader Update. Subject to approval of this proposed rule change, the Exchange anticipates that the proposed changes will be implemented in January 2021.

(b) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,[6] in general, and furthers the objectives of Section 6(b)(5),[7] 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 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.

The Exchange believes the proposed change would remove impediments to and perfect the mechanism of a free and open market by allowing member organizations to better manage order flow and prevent executions with themselves. Because orders routed by the same member organization via different connections may, in certain circumstances, be eligible to trade against each other, the Exchange believes that its proposal to establish additional STP modifiers would remove impediments to and perfect the mechanism of a free and

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6 15 U.S.C. 78f(b).

7 15 U.S.C. 78f(b)(5).

open market, and serve to protect investors and the public interest, by enhancing member organizations' ability to prevent potentially undesirable trades and internalize order flow. The Exchange also believes that the proposed rule change is designed 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 because the proposed changes are based on the approved rules of its Affiliated Exchanges, with modifications to address functionality specific to the Exchange's parity allocation model, and aligning its STP modifiers with those offered by its Affiliated Exchanges would promote consistency for member organizations that are members of the Exchange and one or more other Affiliated Exchanges. The Exchange further believes that the proposed differences to address how the proposed STPD and STPC modifiers would function for resting orders that are in a priority category that allocates orders on parity would remove impediments to and perfect the mechanism of a free and open market because the proposed rules are designed to honor the STPD and STPC instructions consistent with the Exchange's parity model. These proposed rules are also similar to how the Exchange currently processes STPN and STPO modifiers for resting orders that are in a priority category that allocates orders on parity.

4. 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.

The Exchange believes that the proposed rule change would reduce the burden on competition because the proposed rules are based on those of its Affiliated Exchanges, thereby providing member organizations with consistency between its rules and those of its Affiliated Exchanges and enabling the Exchange to compete with unaffiliated exchange competitors that similarly operate multiple exchanges on the same trading platforms.

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

Not applicable.

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

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

Exhibit 5 – Text of Proposed Rule Change

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NYSE-2020-87, Amendment No. 1)

[Date]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change to Amend Rule 7.31

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 December 15, 2020, 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 amend Rule 7.31 to add two new types of Self Trade Prevention modifiers. This Amendment No. 1 to SR-NYSE-2020-87 replaces and 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.

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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 Rule 7.31 (Orders and Modifiers) to provide for two additional types of Self Trade Prevention Modifiers.

Specifically, the Exchange proposes to amend Rule 7.31(i)(2), which sets forth the Self Trade Prevention ("STP") modifiers on the Exchange. As defined in Rule 7.31(i)(2), any incoming order to buy (sell) designated with an STP modifier would be prevented from trading with a resting order to sell (buy) also designated with an STP modifier and from the same Client ID,[4] as designated by the member organization. The STP modifier on the incoming order controls how the Exchange evaluates the interaction between two orders marked with STP modifiers. The Exchange evaluates the interaction between two orders marked with STP modifiers from the same Client ID consistent with

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[4] As specified in current Rule 7.31(i)(2)(D), for purposes of STP, references to Client ID mean a Client ID when using Pillar phase I protocols to communicate with the Exchange or an MPID when using Pillar phase II protocols to communicate with the Exchange.

the allocation logic applicable to the priority category of the resting order, and if resting orders in a priority category do not have an STP modifier from the same Client ID, the incoming order designated with an STP modifier would trade with resting orders in that priority category before being evaluated for STP with resting orders in the next priority category.

Currently, the Exchange offers two versions of STP: STP Cancel Newest ("STPN") and STP Cancel Oldest ("STPO"), as described in Rules 7.31(i)(2)(A) and 7.31(i)(2)(B), respectively. The Exchange proposes to expand its STP offerings to establish STP Decrement and Cancel ("STPD") and STP Cancel Both ("STPC"), which would be set forth in proposed Rules 7.31(i)(2)(C) and 7.31(i)(2)(D), respectively. The proposed STPD and STPC offerings are based in part on the STPD and STPC offerings on the Exchange's affiliates NYSE Arca, Inc. ("NYSE Arca"), NYSE American LLC ("NYSE American"), NYSE Chicago, Inc. ("NYSE Chicago"), and NYSE National, Inc. ("NYSE National") (collectively, the "Affiliated Exchanges"),[5] with differences to separately describe order processing for orders that are allocated in price-time priority and how STPD and STPC would function consistent with the Exchange's parity allocation model.

For STPD, proposed Rule 7.31(i)(2)(C) would provide that an incoming order to buy (sell) with an STPD modifier would not trade with resting interest to sell (buy) marked with any of the STP modifiers from the same Client ID, as outlined in proposed Rules 7.31(i)(2)(C)(i) and (ii).

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5 See NYSE Arca Rule 7.31-E(i)(2); NYSE American Rule 7.31E(i)(2); NYSE National Rule 7.31(i)(2); and NYSE Chicago Rule 7.31(i)(2).

Proposed Rule 7.31(i)(2)(C)(i) would apply to resting orders in a priority category that allocates orders on price-time priority. As proposed, if both orders with an STP modifier are equivalent in size, both orders would be cancelled back to the originating member organization. If the orders are not equivalent in size, the equivalent size would be cancelled back to the originating Client ID and the larger order would be decremented by the size of the smaller order, with the balance remaining on the Exchange Book. This proposed functionality is based on the STPD functionality available on the Affiliated Exchanges.

Proposed Rule 7.31(i)(2)(C)(ii) would address how STPD would function for resting orders in a priority category that allocates orders on parity. As proposed, if a resting order would have been considered for an allocation, both the portion of the resting order that would receive an allocation and the portion of the incoming order marked with the STPD modifier that would be allocated to the resting order would be cancelled back to the originating member organization. Resting orders with an STP modifier from the same Client ID that would not have been eligible for a parity allocation would remain on the Exchange Book. The Exchange believes that if a member organization designates an order with an STPD modifier, that member organization has instructed the Exchange to cancel the equivalent portion of both the incoming order and resting order with an STP modifier from the same Client ID, resulting in the larger order being decremented by the size of the smaller order and remaining on the Exchange Book. In the case of a parity allocation, because resting orders are allocated based on their position on an allocation wheel,[6] it would be consistent with the incoming order's decrementing instruction to

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[6] See Rule 7.37(b)(2).

provide a parity allocation to an eligible resting order with an STP modifier from the same Client ID and cancel both the portion of the resting order corresponding to the allocation and the portion of the incoming order that would have been allocated to the resting order. This proposed functionality is similar to how the Exchange currently processes STPO modifiers if a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity, as described in Rule 7.31(i)(2)(B)(ii).

For STPC, proposed Rule 7.31(i)(2)(D) would provide that an incoming order to buy (sell) marked with the STPC modifier would not trade with resting interest to sell (buy) marked with any of the STP modifiers from the same Client ID, as outlined in proposed Rules 7.31(i)(2)(D)(i) and (ii).

Proposed Rule 7.31(i)(2)(D)(i) would apply to resting orders in a priority category that allocates orders on price-time priority. As proposed, the entire size of both orders with an STP modifier would be cancelled back to the originating member organization. This proposed functionality is based on the STPC functionality available on the Affiliated Exchanges.

Proposed Rule 7.31(i)(2)(D)(ii) would address how STPC would function for resting orders in a priority category that allocates orders on parity. As proposed, if a resting order is in a priority category that allocates orders on parity and would have been considered for an allocation, none of the resting orders eligible for a parity allocation in that priority category would receive an allocation. The first resting order with an STP modifier eligible for a parity allocation would be cancelled back, as would the incoming order. The Exchange believes that this proposed processing would be consistent with the member organization's instruction that both the incoming order and resting order with an STP modifier from the same Client ID be cancelled if there were a potential for an execution between the two orders. This proposed functionality is similar to how the Exchange currently processes STPN modifiers if a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity, as described in Rule 7.31(i)(2)(A)(ii).

The Exchange also proposes non-substantive changes to renumber current Rules 7.31(i)(2)(C) and 7.31(i)(2)(D) as Rules 7.31(i)(2)(E) and 7.31(i)(2)(F) to accommodate the addition of the proposed rules governing STPD and STPC. The Exchange also proposes a conforming change to current Rules 7.31(d)(4)(F) and 7.31(i)(2)(C) to clarify that D Orders could only be designated with an STPN or STPO modifier (i.e., that the new STPD and STPC modifiers would not be available for use with D Orders). The Exchange also proposes to amend current Rule 7.31(i)(2)(D) to specify that STPD and STPC modifiers would only be available for use with Pillar phase II protocols.

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Because of the technology changes associated with this proposed rule change, the Exchange will announce the implementation date by Trader Update. Subject to approval of this proposed rule change, the Exchange anticipates that the proposed changes will be implemented in January 2021.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,[7] in general,

[7] 15 U.S.C. 78f(b).

and furthers the objectives of Section 6(b)(5),[8] 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 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.

The Exchange believes the proposed change would remove impediments to and perfect the mechanism of a free and open market by allowing member organizations to better manage order flow and prevent executions with themselves. Because orders routed by the same member organization via different connections may, in certain circumstances, be eligible to trade against each other, the Exchange believes that its proposal to establish additional STP modifiers would remove impediments to and perfect the mechanism of a free and open market, and serve to protect investors and the public interest, by enhancing member organizations' ability to prevent potentially undesirable trades and internalize order flow. The Exchange also believes that the proposed rule change is designed 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 because the proposed changes are based on the approved rules of its Affiliated Exchanges, with modifications to address functionality specific to the Exchange's parity allocation model, and aligning its STP modifiers with those offered by its Affiliated Exchanges would promote consistency for member organizations that are members of the Exchange and one or more other Affiliated Exchanges. The Exchange

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[8] 15 U.S.C. 78f(b)(5).

further believes that the proposed differences to address how the proposed STPD and STPC modifiers would function for resting orders that are in a priority category that allocates orders on parity would remove impediments to and perfect the mechanism of a free and open market because the proposed rules are designed to honor the STPD and STPC instructions consistent with the Exchange's parity model. These proposed rules are also similar to how the Exchange currently processes STPN and STPO modifiers for resting orders that are in a priority category that allocates orders on parity.

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.

The Exchange believes that the proposed rule change would reduce the burden on competition because the proposed rules are based on those of its Affiliated Exchanges, thereby providing member organizations with consistency between its rules and those of its Affiliated Exchanges and enabling the Exchange to compete with unaffiliated exchange competitors that similarly operate multiple exchanges on the same trading platforms.

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-2020-87 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-NYSE-2020-87. 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-2020-87 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.[9]

Eduardo A. Aleman
Deputy Secretary

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9 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Additions: Underlined
Deletions: [Bracketed]

Rules of New York Stock Exchange LLC

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Rule 7P EQUITIES TRADING

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Section 3. Exchange Trading

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Rule 7.31. Orders and Modifiers

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(d) Orders with a Conditional or Undisplayed Price and/or Size

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(4) Discretionary Order ("D Order"). A Limit Order that may trade at an undisplayed discretionary price. A D Order must be designated Day, may be designated as routable or non-routable, and on entry, must have a minimum of one round lot displayed. A D Order is available only to Floor Brokers and is eligible to be traded in the Core Trading Session only.

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(F) A D Order may be designated with an STPN or STPO modifier and will be rejected if combined with any other modifiers or if the same-side PBBO is zero.

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(i) Additional Order Instructions and Modifiers:

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(2) Self Trade Prevention Modifier ("STP").

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(C) STP Decrement and Cancel ("STPD"). An incoming order to buy (sell) marked with the STPD modifier will not trade with resting interest to sell (buy) marked with any of the STP modifiers from the same Client ID and both the incoming order and resting order will cancel, as follows.

(i) For a resting order with an STP modifier from the same Client ID that is in a priority category that allocates orders on price-time priority, if both orders are equivalent in size, both orders will be cancelled back to the originating member organization. If the orders are not equivalent in size, the equivalent size will be cancelled back to the originating Client ID and the larger order will be decremented by the size of the smaller order with the balance remaining on the Exchange Book.

(ii) For a resting order with an STP modifier from the same Client ID that is in a priority category that allocates orders on parity and would have been considered for an allocation, both the portion of a resting order that would receive an allocation and the portion of the incoming order that would be allocated to that resting order will be cancelled back to the originating member organization. Resting orders with an STP modifier from the same Client ID that would not have been eligible for a parity allocation will remain on the Exchange Book.

(D) STP Cancel Both ("STPC"). An incoming order to buy (sell) marked with the STPC modifier will not trade with resting interest to sell (buy) marked with any of the STP modifiers from the same Client ID and both the incoming order and resting order will cancel, as follows.

(i) If a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on price-time priority, the entire size of both the resting order with an STP modifier and the incoming order marked with the STPC modifier will be cancelled back to the originating member organization.

(ii) If a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity and would have been considered for an allocation, none of the resting orders eligible for a parity allocation in that priority category will receive an allocation. Both the first resting order with an STP modifier eligible for a parity allocation and the incoming order with the STPC modifier will be cancelled back to the originating member organization.

[(C)](E) A resting D Order designated with an STPN or STPO modifier that is triggered to exercise discretion and is not an Aggressing Order will not trade at a discretionary price if the contra-side order is also designated with an STP modifier and from the same Client ID. In such case, the D Order will not be cancelled.

[(D)](F) For purposes of STP, references to Client ID mean a Client ID when using Pillar phase I protocols to communicate with the Exchange or an MPID when using Pillar phase II protocols to communicate with the Exchange. STPD and STPC modifiers are only available when using Pillar phase II protocols.

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