

# BLACKROCK®

January 14, 2016

Submitted via electronic filing: <https://www.sec.gov/cgi-bin/ruling-comments>.

Mr. Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**Re: Notice of Filing of Proposed Rule Change to Amend Rule 1.1(s) to Provide for Price Collar Thresholds for Trading Halt Auctions, Release No. 34-76690; File No. SR-NYSEArca-2015-121**

Dear Mr. Fields:

BlackRock, Inc. (together with its affiliates, "BlackRock")<sup>1</sup> appreciates the opportunity to comment on the above referenced NYSE Arca rule proposal. BlackRock supports rule changes that promote fair and orderly markets and benefit the functioning of the entire equity market ecosystem, inclusive of both individual stocks and ETFs.

We encourage the Commission to review and consider NYSE Arca's application to widen the price collar thresholds for Trading Halt Auctions. We are broadly supportive of NYSE Arca's filing and its proactive response towards improving market resiliency. The events of August 24, 2015 have demonstrated that there is a need to enhance and revise the trading mechanisms that aim to protect the market from extraordinary volatility. A key concern, which we have highlighted in our market structure *ViewPoint*, is the manner in which securities resume trading after a Limit-Up Limit-Down ("LULD") trading pause.<sup>2</sup> Price collars on reopening auctions that are too restrictive interfere with the fundamental price formation intended by the LULD plan and further amplify price volatility following an auction. The Commission staff's findings on the operation of the LULD plan are consistent with this observation.<sup>3</sup> We believe that this rule change is a step in the right direction, pending further direction from policy makers or broader market consensus regarding amendments to the LULD NMS plan.

However, we recognize that this change is limited in scope and that the proposals of one exchange acting unilaterally are insufficient to comprehensively address the issues raised during the morning of August 24. Greater harmonization is necessary across the entire equity market ecosystem in exchange rules, trading halt processes, and erroneous trade guidelines. Consequently, we urge the Commission to accelerate the adoption of holistic measures to improve the resiliency of the U.S. equity market.

We thank the Commission for the opportunity to comment on this rule proposal. We would be pleased to assist in any way we can to ensure that the Commission's ongoing consideration of the functioning of the U.S. equity market under stressed conditions yields actionable market structure improvements. Please do not hesitate to contact the undersigned if you have any questions or comments regarding BlackRock's views.

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<sup>1</sup> BlackRock and its affiliated investment management companies are collectively a leading global investment manager and a prominent provider of indexing strategies. BlackRock is the investment adviser to the iShares family of exchange-traded funds ("ETFs"), which invest in U.S. equity, international equity, commodities, and a variety of fixed-income segments. BlackRock also advises non-U.S. ETFs. BlackRock and its predecessor companies have provided investment advice to ETFs since 1996.

<sup>2</sup> BlackRock, *ViewPoint*, US Equity Market Structure: Lessons from August 24 (Oct. 2015), available at <http://www.blackrock.com/corporate/en-us/literature/whitepaper/viewpoint-us-equity-market-structure-october-2015.pdf>.

<sup>3</sup> Staff of the Office of Analytics and Research, Division of Trading and Markets, Equity Market Volatility on August 24 (Dec. 2015), available at [http://www.sec.gov/marketstructure/research/equity\\_market\\_volatility.pdf](http://www.sec.gov/marketstructure/research/equity_market_volatility.pdf).

Sincerely,

Joanne Medero  
US Head of Government Relations & Public Policy

Samara Cohen  
US Head of iShares Capital Markets

Hubert De Jesus  
Co-Head of Market Structure & Electronic Trading