



**Martha Redding**  
Associate General Counsel  
Assistant Secretary

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

February 22, 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. 34-79404 (SR-NYSEArca-2016-149)

Dear Mr. Fields:

NYSE Arca, Inc. filed the attached Partial Amendment No. 2 to the above-referenced filing on February 17, 2017.

Sincerely,

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

Encl. (Partial Amendment No. 2 to SR-NYSEArca-2016-149)

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 16	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2016 - * 149	Amendment No. (req. for Amendments *) 2
Filing by NYSE Arca, Inc. 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"/>	
			Rule	
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<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"/>		
<b>Description</b>				
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).				
<input type="text" value="Proposal to amend Rule 6.91"/>				
<b>Contact Information</b>				
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 *	<input type="text" value="Kathleen"/>	Last Name *	<input type="text" value="Murphy"/>	
Title *	<input type="text" value="Counsel NYSE Group Inc"/>			
E-mail *	<input type="text" value="REDACTED"/>			
Telephone *	<input type="text" value="REDACTED"/>	Fax	<input type="text" value="REDACTED"/>	
<b>Signature</b>				
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	<input type="text" value="02/17/2017"/>	Assistant Secretary		
By	<input type="text" value="Martha Redding"/>	<input type="text" value="REDACTED"/>		
(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.				
		<input type="text" value="Martha Redding, REDACTED"/>		

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF 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-NYSEArca-2016-149, Partial Amendment No. 2

NYSE Arca, Inc. (the “Exchange”) hereby submits this partial amendment to SR-NYSEArca-2016-149, which was superseded by Amendment No. 1 (the “Filing”), in connection with the proposed modification the Electronic Complex Order traded on the Exchange. The Exchange proposes the following amendments to the Filing:

**1. Insert the following underlined text, and delete the bracketed text, under the heading “Execution of COA-Eligible Orders, Initiation of COAs and RFR Responses,” on page 9 of the Filing and pages 37 of Exhibit 1.**

Proposed Rule 6.91(c)(3) would specify the conditions required for the “Initiation of a COA” and, if those conditions are met, sets forth how a COA would be initiated. As proposed, and consistent with current functionality, for any portion of a COA-eligible order not executed immediately under proposed Rule 6.91(c)(2), the Exchange would initiate a COA based on the limit price of the COA-eligible order and the “marketability” of the order as discussed below[in relation to a number of factors].

- First, as set forth in proposed Rule 6.91(c)(3)(i), the limit price of the COA-eligible order to buy (sell) would have to be higher (lower) than the best-priced, same-side interest in both the leg markets and any ECOs resting in the Consolidated Book. In other words, the limit price of the COA-eligible order would have to improve the current same-side market.
- Second, as set forth in proposed Rule 6.91(c)(3)(ii), the COA-eligible order would have to be priced within a given number of ticks away from the current, contra-side market, as determined by the Exchange. This concept is based on current Rule 6.91(c)(1), which defines the “marketability” of a COA-eligible order as being “a number of ticks away from the current market.” Given that a COA-eligible order may be a certain number of ticks away from the current market, it is possible that a COA could be initiated even if the limit price of the COA-eligible order is not at or within the NYSE Arca best bid/offer for each leg of the order. However, a COA-eligible order must execute at a price that is at or within the NYSE Arca best bid/offer for each leg of the order, consistent with current Rule 6.91(a)(2) regarding the execution of ECOs in general.

[

- Finally, as set forth in proposed Rule 6.91(c)(3)(iii), to initiate a COA, the limit price of the COA-eligible order to buy (sell) would have to be executable at a price at or within the NYSE Arca best bid/offer for each leg of the order, which is based on current Rule 6.91(a)(2) regarding the execution of ECOs in general.]

The Exchange also proposes to make clear that a COA-eligible order would reside on the Consolidated Book until it meets the requirements of proposed paragraph (3)(i)- (ii)[(iii)] and can initiate a COA.<sup>fn</sup>

**2. Insert the following underlined text under the heading “Impact of ECOs, COA-eligible orders and Updated Leg Markets on COA in progress” on page 19 of the Filing and pages 53-54 of Exhibit 1:**

Proposed Rule 6.91(c)(6)(C): would describe the impact of new individual quotes or orders (i.e., updates to the leg markets) during the RTI on the same or opposite side of the COA-eligible order. In each event described below, regardless of whether the COA ends early, the COA-eligible order would execute pursuant to proposed Rule 6.91(c)(7) (described below); and, consistent with Core Trading Allocation, the updated leg markets would execute pursuant to proposed paragraph (a)(2)(ii) of this Rule.<sup>fn</sup>

- Proposed Rule 6.91(c)(6)(C)(i) would provide that updates to the leg markets that would cause the same-side Complex BBO to lock or cross any RFR Response(s) and/or ECO(s) received during the RTI, or any ECOs resting in the Consolidated Book, would cause the COA to end early. The Exchange believes that providing for a COA to terminate early when the leg markets update in this manner would allow a COA-eligible order to execute against any RFR Responses or ECOs received during the RTI up until that point, while preserving the priority of the updated leg markets to trade with any eligible contra-side interest, including any ECOs resting in the Consolidated Book.
- Proposed Rule 6.91(c)(6)(C)(ii) would provide that updates to the leg markets that would cause the same-side Complex BBO to be priced better than the COA-eligible order,<sup>fn</sup> but do not lock or cross any RFR Responses and/or ECOs received during the RTI or any ECOs resting in the Consolidated Book would not cause the COA to end early.

\* \* \* \* \*

Additionally, the Exchange requests the Commission to find good cause to grant accelerated approval of NYSEArca-2016-149, as amended, pursuant to Section 19(b)(2) of the Act. Accelerated approval would allow the Exchange to implement, without delay, the proposed modifications at the same time that the Filing goes into effect, which would improve the rule overall by adding more specificity and transparency. The Exchange believes the Filing, as amended, clarifies how ECOs and COA-eligible orders are handled on the Exchange, both during Core Trading Hours and when there is a COA in progress.

**Text of the Proposed Rule Change:<sup>1</sup>**

**RULES OF THE NYSE ARCA, INC.**

\* \* \* \* \*

**RULE 6 OPTIONS TRADING**

**Rules Principally Applicable to Trading of Option Contracts**

\* \* \* \* \*

**Rule 6.91. Electronic Complex Order Trading**

\* \* \* \* \*

(c) *Electronic Complex Order Auction (“COA”) Process.* Upon entry into the System, Electronic Complex Orders may be immediately executed, in full (or in a permissible ratio), as provided in paragraph (a)(2) above, or may be subject to a COA as described below.

\* \* \* \* \*

(3) Initiation of a COA. Any portion of the COA-eligible order that does not execute immediately pursuant to paragraph (c)(2) of this Rule, will start a COA, provided the limit price of the COA-eligible order to buy (sell):

(i) is higher (lower) than the best-priced, same-side interest in both the leg markets and any Electronic Complex Orders resting in the Consolidated Book; *and*

(ii) is within a given number of ticks away from the current, contra-side market, as determined by the Exchange; ~~and~~

~~(iii) is executable at a price at or within the NYSE Arca best bid /offer for each leg of the order.~~

A COA-eligible order will reside on the Consolidate Book until it meets the requirements of paragraph (3)(i)-~~(ii)(iii)~~ and can initiate a COA. The Exchange

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<sup>1</sup> For changes made pursuant to Amendment No. 1, which superseded the original filing, new text is underscored and deleted text is in brackets; for changes made pursuant to the Partial Amendment No. 2, new text is italicized in bold and deleted text is struck-through.

will initiate the COA by sending a request for response (“RFR”) message to all OTP Holders that subscribe to RFR messages. RFR messages will identify the component series, the size and side of the market of the order and any contingencies. Only one COA may be conducted at a time in any given complex order strategy. At the time the COA is initiated, the Exchange will record the Complex BBO (the “initial Complex BBO”) for purposes of determining whether the COA should end early pursuant to paragraph (c)(6) of this Rule.

\* \* \* \* \*

(6) Impact of Electronic Complex Orders, COA-Eligible Orders and Updated Leg Markets Received During the Response Time Interval of a COA.

\* \* \* \* \*

(C) Updated Leg Markets on the Same or Opposite Side of the Market as the initiating COA-eligible order.

(i) Updates to the leg markets that cause the same-side Complex BBO to lock or cross any RFR Response(s) and/or Electronic Complex Order(s) received during the Response Time Interval, *or any Electronic Complex Order(s) resting in the Consolidated Book*, will cause the COA to end early.

(ii) Updates to the leg markets that cause the same-side Complex BBO to be priced higher (lower) than the COA-eligible order to buy (sell), but do not lock or cross any RFR Response(s) and/or Electronic Complex Order(s) received during the Response Time Interval *or any Electronic Complex Order(s) resting in the Consolidated Book*, will not cause the COA to end early.

(iii) Updates to the leg markets that cause the contra-side Complex BBO to lock or cross the same-side initial Complex BBO will cause the COA to end early.

(iv) Updates to the leg markets that cause the contra-side Complex BB (BO) to improve (i.e., become higher (lower)), but not lock or cross the same-side initial Complex BBO, will not cause the COA to end early.

\*\*\*\*\*

## EXHIBIT 5

Additions underscored  
Deletions [bracketed]

**RULES OF THE NYSE ARCA, INC.**

\* \* \* \* \*

**RULE 6 OPTIONS TRADING**

**Rules Principally Applicable to Trading of Option Contracts**

\* \* \* \* \*

**Rule 6.91. Electronic Complex Order Trading**

For purposes of this Rule, an "Electronic Complex Order" means any Complex Order as defined in Rule 6.62(e) or any Stock/Option Order or Stock/Complex Order as defined in Rule 6.62(h) that is entered into the NYSE Arca System (the "System").

- (a) Complex Matching Engine. Electronic Complex Orders entered into the [NYSE Arca] S[s]ystem are routed to the Complex Matching Engine ("CME") for possible execution. The CME is the mechanism in which Electronic Complex Orders are executed against each other or against individual quotes and orders in the Consolidated Book (the "leg markets"). Electronic Complex Orders that are not immediately executed by the CME are routed to the Consolidated Book.
- (1) *Priority of Electronic Complex Orders in the Consolidated Book*: Electronic Complex Orders in the Consolidated Book shall be ranked according to price/time priority based on the total or net debit or credit and the time of entry of the order.
- (2) *Execution of Electronic Complex Orders*: Electronic Complex Orders submitted to [NYSE Arca]the System may be executed without consideration of prices of either single-legged orders or the same complex order strategy that might be available on other exchanges. No leg of an Electronic Complex Order will be executed at a price outside the NYSE Arca best bid /offer for that leg. Electronic Complex Orders will trade in the following way:
- (i) Execution of Electronic Complex Orders at the Open:
- (A) Electronic Complex Orders do not participate in the Auction Process for individual component option series legs conducted pursuant to Rule 6.64. The CME will not process an Electronic Complex Order until all of the individual component option series that make up a complex order strategy have opened.
- (B) The CME will use an opening auction process if there are Electronic Complex Orders in the Consolidated Book that are marketable against each

other and priced within the Complex NBBO. The resulting execution will occur at a single market clearing price at which the most volume can be traded, at or near the midpoint of the initial uncrossed Complex NBBO, by matching Electronic Complex Orders to the extent they are marketable, provided that if such midpoint would result in the violation of the limit price of the Electronic Complex Order(s) involved, then the market clearing price will be the limit price of the order(s) at which the most volume can be traded. If the midpoint of the Complex NBBO results in a sub-penny price, the market clearing price will be rounded down to the nearest whole penny. In determining order priority, the CME gives first priority to Electronic Complex Orders whose net debit/credit price is better than the market clearing price, and then to Electronic Complex Orders priced at the market clearing price. To the extent there is any remaining balance, Electronic Complex Orders will be posted to the Consolidated Book and processed on an intra-day basis pursuant to subsection (a)(2)(ii) below.

(C) Electronic Complex Orders that are not executed during the opening auction process are eligible to trade during Core Trading against the individual quotes and orders residing in the Consolidated Book of the series that comprise the complex order strategy.

(ii) Execution of Electronic Complex Orders During Core Trading. The CME will accept an incoming marketable Electronic Complex Order and automatically execute it against the best-priced contra-side interest resting in the Consolidated Book. If, at a price, the leg markets can execute against an incoming Electronic Complex Order in full (or in a permissible ratio), the leg markets will have first priority at that price and will trade with the incoming Electronic Complex Order pursuant to Rule 6.76A before Electronic Complex Orders resting in the Consolidated Book can trade at that price.

[(A) The CME will accept an incoming Electronic Complex Order and will automatically execute it against Electronic Complex Orders in the Consolidated Book; provided, however, that if individual orders or quotes residing in the Consolidated Book can execute the incoming Electronic Complex Order in full (or in a permissible ratio) at the same total or net debit or credit as an Electronic Complex Order in the Consolidated Book, the individual orders or quotes will have priority. The allocation of incoming orders or quotes or those residing in the Consolidated Book that execute against an Electronic Complex Order shall be done pursuant to NYSE Arca Rule 6.76A

(B) If an Electronic Complex Order in the CME is not marketable against another Electronic Complex Order it will automatically execute against individual orders or quotes residing in the Consolidated Book, provided the Electronic Complex Order can be executed in full (or in a permissible ratio) by the orders in the Consolidated Book. The allocation of incoming orders or

quotes or those residing in the Consolidated Book that execute against an Electronic Complex Order shall be done pursuant to NYSE Arca Rule 6.76A.]

(iii) Electronic Complex Orders in the Consolidated Book.

[(C)](A) An Electronic Complex Order or portion of an Electronic Complex Order that is not executed on arrival will be ranked in the Consolidated Book. If an Electronic Complex Order is being held in the Consolidated Book, the CME will monitor the [bids and offers in the] leg markets, and if a new order(s) or quote(s) entered into the Consolidated Book can execute the Electronic Complex Order in full (or in a permissible ratio), the Electronic Complex Order will be executed against such new order(s) or quote(s) according to paragraph (a)(2)(ii) above.

[(D)](B) OTP Holders and OTP Firms will have the ability to view Electronic Complex Orders in the Consolidated Book via an electronic interface and may submit orders to the CME to trade against orders in the Consolidated Book. The allocation of complex trades among OTP Holders and OTP Firms shall be done pursuant to Rule 6.76A.

(b) Electronic Complex Orders:

- (1) Electronic Complex Orders must be entered as Limit Orders or as Limit Orders designated as PNP Plus.
- (2) Electronic Complex Orders may be designated as Fill-or-Kill (FOK) or All-or-None (AON).
- (3) Electronic Complex Orders may be entered with a time-in-force of IOC, Day or GTC.
- (4) Electronic Complex Orders will be rejected if:
  - (i) composed of two legs that are (a) both buy orders or both sell orders, and (b) both legs are calls or both legs are puts; or
  - (ii) composed of three or more legs and (a) all legs are buy orders; or (b) all legs are sell orders.

(c) Electronic Complex Order Auction (“COA”) Process. Upon entry into the System, Electronic Complex Orders may be immediately executed, in full (or in a permissible ratio), as provided in paragraph (a)(2) above, or may be subject to a COA as described below.

(1) A “COA-eligible order” means an Electronic Complex Order that is entered in a class designated by the Exchange and is:

(i) designated by the OTP Holder as COA-eligible; and

(ii) received during Core Trading Hours.

(2) Immediate Execution of COA-eligible orders. Upon entry of a COA-eligible order into the System, it will trade immediately, in full (or in a permissible ratio), with any Electronic Complex Orders resting in the Consolidated Book that are priced better than the contra-side Complex BBO pursuant to paragraph (a)(2)(ii) above. Any portion of the COA-eligible order that does not trade immediately upon entry into the System may start a COA.

(3) Initiation of a COA. Any portion of the COA-eligible order that does not execute immediately pursuant to paragraph (c)(2) of this Rule, will start a COA, provided the limit price of the COA-eligible order to buy (sell):

(i) is higher (lower) than the best-priced, same-side interest in both the leg markets and any Electronic Complex Orders resting in the Consolidated Book; and

(ii) is within a given number of ticks away from the current, contra-side market, as determined by the Exchange.

A COA-eligible order will reside on the Consolidate Book until it meets the requirements of paragraph (3)(i)-(ii) and can initiate a COA. The Exchange will initiate the COA by sending a request for response (“RFR”) message to all OTP Holders that subscribe to RFR messages. RFR messages will identify the component series, the size and side of the market of the order and any contingencies. Only one COA may be conducted at a time in any given complex order strategy. At the time the COA is initiated, the Exchange will record the Complex BBO (the “initial Complex BBO”) for purposes of determining whether the COA should end early pursuant to paragraph (c)(6) of this Rule.

(4) The “Response Time Interval” means the period of time during which responses to the RFR may be entered. The Exchange will determine the length of the Response Time Interval; provided, however, that the duration will not be less than 500 milliseconds and will not exceed one (1) second. At the end of the Response Time Interval, the COA-eligible order will be allocated pursuant to paragraph (c)(7) of this Rule.

(5) Any OTP Holder may submit responses to the RFR message (“RFR Responses”) during the Response Time Interval.

(A) RFR Responses are Electronic Complex Orders that have a time-in-force contingency for the duration of the COA, must specify the price, size, and side of the market, and may be submitted in \$.01 increments.

(B) RFR Responses must be on the opposite side of the COA-eligible order. Any RFR Responses on the same side of the COA-eligible order will be rejected.

(C) RFR Responses may be modified or cancelled during the Response Time Interval, will not be ranked or displayed in the Consolidated Book, and will expire at the end of the COA.

(6) Impact of Electronic Complex Orders, COA-Eligible Orders and Updated Leg Markets Received During the Response Time Interval of a COA.

(A) Incoming Electronic Complex Orders or COA-eligible orders on the Opposite Side of the Market as the initiating COA-eligible order.

(i) Incoming Electronic Complex Orders or COA-eligible orders that lock or cross the initial Complex BBO will cause the COA to end early. If such incoming Electronic Complex Order or COA-eligible order is also executable against the limit price of the initiating COA-eligible order, it will be ranked with RFR Responses to execute with the COA-eligible order pursuant to paragraph (c)(7) of this Rule.

(ii) Incoming Electronic Complex Orders or COA-eligible orders that are executable against the limit price of the COA-eligible order, but do not lock or cross the initial Complex BBO, will not cause the COA to end early and will be ranked with RFR Responses to execute with the COA-eligible order pursuant to paragraph (c)(7) of this Rule.

(iii) Incoming Electronic Complex Orders or COA-eligible orders that are either not executable on arrival against the limit price of the initiating COA-eligible order or do not lock or cross the initial Complex BBO will not cause the COA to end early.

(iv) Any incoming Electronic Complex Order(s), or the balance thereof, that was not executed with the initiating COA-eligible order or was not executable on arrival will trade pursuant to paragraph (a)(2)(ii) or (iii) of this Rule.

(v) Any incoming COA-eligible order(s), or the balance thereof, that was not executed with the initiating COA-eligible order or was not executable on arrival will initiate subsequent COA(s) in price-time priority.

(B) Incoming Electronic Complex Orders or COA-eligible orders on the Same Side of the Market as the initiating COA-eligible order. When a COA ends

early, or at the end of the Response Time Interval, the initiating COA-eligible order will execute pursuant to paragraph (c)(7) of this Rule ahead of any interest that arrived during the COA.

(i) An incoming Electronic Complex Order or COA-eligible order that is priced higher (lower) than the initiating COA-eligible order to buy (sell) will cause the COA to end early.

(ii) An incoming Electronic Complex Order or COA-eligible order that is priced equal to or lower (higher) than the initiating COA-eligible order to buy (sell), and also locks or crosses the contra-side initial Complex BBO, will cause the COA to end early.

(iii) Incoming Electronic Complex Orders or COA-eligible orders that are priced equal to or lower (higher) than the initiating COA-eligible order to buy (sell), but do not lock or cross the contra-side initial Complex BBO, will not cause the COA to end early.

(iv) Any incoming Electronic Complex Order or COA-eligible order that caused a COA to end early, if executable, will trade against any RFR Responses and/or Electronic Complex Orders received during the Response Time Interval that did not trade with the initiating COA-eligible order.

(v) Incoming Electronic Complex Orders, or any remaining balance per paragraph (iv) above, that do not trade against any remaining RFR Responses or Electronic Complex Orders will trade pursuant to paragraph (a)(2)(ii) or (iii) of this Rule.

(vi) The remaining balance of any incoming COA-eligible order(s) that does not trade against any remaining RFR Responses or Electronic Complex Orders will initiate new COA(s) in price-time priority.

(C) Updated Leg Markets on the Same or Opposite Side of the Market as the initiating COA-eligible order.

(i) Updates to the leg markets that cause the same-side Complex BBO to lock or cross any RFR Response(s) and/or Electronic Complex Order(s) received during the Response Time Interval, or any Electronic Complex Order(s) resting in the Consolidated Book, will cause the COA to end early.

(ii) Updates to the leg markets that cause the same-side Complex BBO to be priced higher (lower) than the COA-eligible order to buy (sell), but do not lock or cross any RFR Response(s) and/or Electronic Complex Order(s) received during the Response Time Interval or any Electronic Complex Order(s) resting in the Consolidated Book, will not cause the COA to end early.

(iii) Updates to the leg markets that cause the contra-side Complex BBO to lock or cross the same-side initial Complex BBO will cause the COA to end early.

(iv) Updates to the leg markets that cause the contra-side Complex BB (BO) to improve (i.e., become higher (lower)), but not lock or cross the same-side initial Complex BBO, will not cause the COA to end early.

(7) Allocation of COA-Eligible Orders: When a COA ends early or at the end of the Response Time Interval, a COA-eligible order will be executed against the contra-side interest received during the COA as described below, and any unexecuted portion of the COA-eligible order will be ranked in the Consolidated Book pursuant to (a)(1) above:

(A) RFR Responses and Electronic Complex Orders to buy (sell) that are priced higher (lower) than the initial Complex BBO will be eligible to trade first with the COA-eligible order, beginning with the highest (lowest), at each price point, on a Size Pro Rata basis as defined in Rule 6.75(f)(6).

(B) After COA allocations pursuant to paragraph (c)(7)(A) of this Rule, the COA-eligible order will trade with the best-priced contra-side interest pursuant to paragraph (a)(2)(ii) or (iii) above.

*(c) Electronic Complex Order Auction ("COA") Process.* Upon entry into the System, eligible Electronic Complex Orders may be subject to an automated request for responses ("RFR") auction.

(1) A "COA-eligible order" means an Electronic Complex Order that, as determined by the Exchange on a class-by-class basis, is eligible for a COA considering the order's marketability (defined as a number of ticks away from the current market), size, number of series, and complex order origin types (i.e., Customers, broker-dealers that are not Market Makers or specialists on an options exchange, and/or Market Makers or specialists on an options exchange). Electronic Complex Orders processed through a COA may be executed without consideration to prices of the same complex orders that might be available on other exchanges.

(2) Upon receipt of a COA-eligible order, and the direction from the entering OTP Holder that an auction be initiated, the Exchange will send an RFR message to all OTP Holders who subscribe to RFR messages. RFR messages will identify the component series, the size and side of the market of the order and any contingencies.

(3) The "Response Time Interval" means the period of time during which responses to the RFR may be entered. The Exchange will determine the length of the Response Time Interval; provided, however, that the duration shall be less than 500 milliseconds and shall not exceed one (1) second.

- (4) Any OTP Holder may submit responses to the RFR message ("RFR Responses") during the Response Time Interval. RFR Responses may be submitted in \$.01 increments. RFR Responses must be on the opposite side of the COA-eligible order; any same-side RFR Responses will be rejected by the Exchange.
- (5) Processing of COA-Eligible Orders: At the expiration of the response time interval, COA-eligible orders may be executed in whole or in part in accordance with (6) below. Any unexecuted portion of a COA-eligible order will either be (i) ranked in the Consolidated Book pursuant to paragraph (a)(1) above, or (ii) if marketable, initiate another COA.
- (6) Execution of COA-Eligible Orders: COA-eligible orders will be executed against the best priced contra side interest. At the same net price, the order will be allocated as follows:
  - (A) Individual orders and quotes in the leg markets resting in the Consolidated Book prior to the initiation of a COA will have first priority to trade against a COA-eligible order, provided the COA-eligible order can be executed in full (or in a permissible ratio) by the orders and quotes in the Consolidated Book. The allocation of orders or quotes residing in the Consolidated Book that execute against a COA-eligible order shall be done pursuant to NYSE Arca Rule 6.76A.
  - (B) Customer Electronic Complex Orders resting in the Consolidated Book before, or that are received during, the Response Time Interval and Customer RFR Responses shall, collectively have second priority to trade against a COA-eligible order. The allocation of a COA-eligible order against the Customer Electronic Complex Orders resting in the Consolidated Book, Customer Electronic Complex Orders received during the Response Time Interval, and Customer RFR Responses shall be on a Size Pro Rata basis as defined in Rule 6.75(f)(6).
  - (C) Non- Customer Electronic Complex Orders resting in the Consolidated Book, non-Customer Electronic Complex Orders placed in the Consolidated Book during the Response Time Interval, and non-Customer RFR Responses will collectively have third priority to trade against a COA-eligible order. The allocation of COA-eligible orders against these contra sided orders and RFR Responses shall be on a Size Pro Rata basis as defined in Rule 6.75(f)(6).
  - (D) Individual orders and quotes in the leg markets that cause the derived Complex Best Bid/Offer to be improved during the COA and match the best RFR Response and/or Electronic Complex Orders received during the Response Time Interval will be filled after Electronic Complex Orders and RFR Responses at the same net price. The allocation of orders or quotes residing in the Consolidated Book that execute against a COA-eligible order shall be done pursuant to NYSE Arca Rule 6.76A.

- (7) Firm Quote Requirements for COA-eligible Orders: RFR Responses can be modified but may not be withdrawn at any time prior to the end of the Response Time Interval. At the end of the Response Time Interval, RFR Responses are firm with respect to the COA-eligible order and RFR Responses that exceed the size of a COA-eligible order are also Firm with respect to other incoming COA-eligible orders that are received during the Response Time Interval. Any RFR Responses not accepted in whole or in a permissible ratio will expire at the end of the Response Time Interval. RFR Responses will not be ranked or displayed in the Consolidated Book.
- (8) Processing of Unrelated Electronic Complex Orders: Incoming Electronic Complex Orders that are received during the Response Time Interval for a COA-eligible order will affect the COA as follows:
- (A) Incoming Electronic Complex orders received during the Response Time Interval that are on the opposite side of the market and marketable against the limit price of the initiating COA-eligible order will be ranked and executed in price time with RFR Responses by account type (as described in (6) above). Any remaining balance of either the initiating COA-eligible order or the incoming Electronic Complex order will be placed in the Consolidated Book and ranked as described in (a)(1) above.
- (B) Incoming COA-eligible orders received during the response time interval for the original COA-eligible order that are on the same side of the market, that are priced equal to the initiating order, will join the COA. A message with the updated size will be published. The new order(s) will be ranked and executed with the initiating COA-eligible order in price time order. Any remaining balance of either the initiating COA-eligible order and/or the incoming Electronic Complex order(s) will be placed in the Consolidated Book and ranked as described in (a)(1) above.
- (C) Incoming COA-eligible orders received during the Response Time Interval for the original COA-eligible order that are on the same side of the market, that are priced worse than the initiating order, will join the COA. The new order(s) will be ranked and executed with the initiating COA-eligible order in price time order. Any remaining balance of either the initiating COA-eligible order and/or the incoming Electronic Complex order(s) will be placed in the Consolidated Book and ranked as described in (a)(1) above.
- (D) Incoming COA-eligible orders received during the Response Time Interval for the original COA-eligible order that are on the same side of the market and that are priced better than the initiating order will cause the auction to end. The initiating COA-eligible order will be executed in accordance with (6) above. The COA-eligible order that caused the auction to end will then be executed in accordance with (6) above, and any unexecuted portion will either be (i) placed

in the Consolidated Book pursuant to (a)(1) above, or (ii) if marketable, initiate another COA.

(9) Change in the BBO of the Leg Markets: A change in the Best Bid/Offer of the leg markets will affect the processing of the Complex Order Auction as follows:

(A) Individual orders and quotes that are entered into the leg markets that cause the derived Complex Best Bid/Offer to be better than the COA-eligible order and to cross the best priced RFR Response will cause the auction to terminate, and individual orders and quotes in the leg markets will be allocated pursuant to (a)(2)(i) above and matched against Electronic Complex Orders and RFR Responses in price time priority pursuant to (6) above. The initiating COA-eligible order will be matched and executed against any remaining unexecuted Electronic Complex Orders and RFR Responses pursuant to (6) above.

(B) Individual orders and quotes that are entered into the leg markets that cause the derived Complex Best Bid/Offer to cross the price of the COA-eligible order will cause the auction to terminate, and individual orders and quotes in the leg markets will be allocated pursuant to (a)(2)(i) above and matched against Electronic Complex Orders and RFR Responses in price time priority pursuant to (6) above.]

**Commentary:**

**.01 - .05** No Change.

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