



**Martha Redding**  
Associate General Counsel  
Assistant Secretary

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

September 29, 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. 34-81388 (SR-NYSEArca-2017-69)

Dear Mr. Fields:

NYSE Arca, Inc. filed the attached Amendment No. 1 to the above-referenced filing on September 28, 2017.

Sincerely,

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

(Encl. Amendment No. 1 to SR-NYSEArca-2017-69)

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2017 - * 20	Amendment No. (req. for Amendments *)
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Filing by NYSE American LLC  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
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 checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

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

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

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

Proposal to modify the NYSE American Options Fee Schedule

**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 \* Kathleen Last Name \* Murphy  
 Title \* Counsel NYSE Group Inc  
 E-mail \* [REDACTED]  
 Telephone \* [REDACTED] Fax [REDACTED]

**Signature**

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

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

(Title \*)

Date 09/29/2017 Associate General Counsel  
 By Clare Saperstein  
 (Name \*)

Clare Saperstein,

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

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the 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 \***

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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**

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**

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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.

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”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> NYSE American LLC (“NYSE American” or the “Exchange”) proposes to modify the NYSE American Options Fee Schedule (“Fee Schedule”). The Exchange proposes to implement the fee change effective October 1, 2017.

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 would 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 is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Kathleen E. Murphy  
Counsel  
NYSE Group, Inc.  
[REDACTED]

Peter Armstrong  
Manager, NYSE Options  
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 purpose of this filing is to modify the Fee Schedule, effective October 1, 2017. Specifically, the Exchange proposes to (i) modify the monthly rates for certain American Trading Permits (each an “ATP”); and (ii) reduce the Messages

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

to Contracts Traded Ratio Fees.

### Monthly ATP Fees

NYSE American Market Makers (each, an “MM”) must have a certain number of ATPs each month in order to submit electronic quotations in option issues in their appointment.<sup>3</sup> The Exchange currently employs a sliding scale for the cost to each MM per ATP, with the amount decreasing as the number of ATPs utilized increases, as follows:

<b>ATP Type</b>	<b>Monthly Fee Per ATP</b>	<b>Number Of Issues Permitted In A Market Makers Quoting Assignment</b>
MM 1st ATP	\$8,000	60 plus the Bottom 45% <sup>4</sup>
MM 2nd ATP	\$6,000	150 plus the Bottom 45%
MM 3rd ATP	\$5,000	500 plus the Bottom 45%
MM 4th ATP	\$4,000	1,100 plus the Bottom 45%
MM 5th ATP	\$3,000	All issues traded on the Exchange
MM 6th or more ATPs	\$2,000	All issues traded on the Exchange

Thus, an MM that would like the privilege of quoting in all issues traded on the Exchange must have at least five ATPs. And, if an MM firm sponsors multiple individual MMs, the MM firm must pay for the requisite number of ATPs for each individual MM to submit quotes on the Exchange. For example, assume an MM firm has three individual MMs and that each MM needs to be able to submit quotes in all issues traded on the Exchange. In this example, the MM firm would have to pay for 15 ATPs (five for each individual MM).

The Exchange proposes to modify its monthly ATP rates such that it will charge \$2,000 for the 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup>, and 9<sup>th</sup> ATP and would charge \$500 per month for the tenth or additional ATPs. The Exchange believes that this proposed reduction in ATP fees would encourage MM firms to have more individual MMs to quote on the Exchange, which will in turn encourage liquidity and depth of markets.

<sup>3</sup> See Fee Schedule, Section III.A. (Monthly ATP Fees), [available here, https://www.nyse.com/publicdocs/nyse/markets/american-options/NYSE\\_American\\_Options\\_Fee\\_Schedule.pdf](https://www.nyse.com/publicdocs/nyse/markets/american-options/NYSE_American_Options_Fee_Schedule.pdf).

<sup>4</sup> See *id.* (providing, in relevant part, that “[e]ach calendar quarter, with a one-month lag, the Exchange will publish on its website a list of the Bottom 45% of issues traded”).

### Messages to Contracts Traded Ratio Fees

The Exchange proposes to modify the Messages to Contracts Traded Ratio Fees (“Messages Fee”), which are assessed as part of the Monthly Excessive Bandwidth Utilization Fees.<sup>5</sup> Currently, the Exchange charges \$0.01 per 1,000 messages (including orders or quotes) in excess of 1.5 million messages in a calendar month if the ATP Holder does not execute at least 1 contract for every 1,500 – 5,000 messages entered, as determined by the Exchange.<sup>6</sup> The Exchange proposes to reduce this rate from \$0.01 to \$0.005. The Exchange believes this reduced rate would still encourage market participants to be rational and efficient in the use of the Exchange’s system capacity.

#### (b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>7</sup> in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,<sup>8</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposed change to ATP fees is reasonable and not unfairly discriminatory because the fees are within the general range of similar fees assessed for trading permits on other exchanges.<sup>9</sup> In addition, the

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<sup>5</sup> See Fee Schedule, Section II (Monthly Excessive Bandwidth Utilization Fees) (“EBUF”) (describing both the Messages to Contracts Traded Ratio Fee and the Order to Trade Ratio Fee, which comprises the EBUF, and noting that if an ATP Holder is liable for either or both fees in a given month, that firm would only be charged the greater of the two fees). The Exchange is not modifying the Order to Trade Ratio Fees.

<sup>6</sup> Currently, the Exchange has set the ratio at 1 contract for every 5,000 messages.

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>9</sup> See Chicago Board of Options Exchange (“CBOE”) fee schedule, Market-Maker Trading Permit Sliding Scale, p. 7, available here, <http://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf> (charging \$5,000 per trading permit for the first ten permits); NYSE Arca Options Fee Schedule, NYSE Arca GENERAL OPTIONS and TRADING PERMIT (OTP) FEES, available here, [https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE\\_Arca\\_Options\\_Fee\\_Schedule.pdf](https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE_Arca_Options_Fee_Schedule.pdf) (imposing a sliding scale of

proposed change relates to the cost of ATPs for MMs and are therefore are not unfairly discriminatory to non-MMs because only MMs are required to submit quotations as part of their obligations to operate on the Exchange (resulting in the need for multiple ATPs). To the extent that the proposed fee encourages MM firms to have more individual MMs quoting on the Exchange, all market participant would benefit from competitive quoting that would increase opportunities to trade and enhance price discovery.

The Exchange also believes that the proposed reduction in the Messages Fees is reasonable, equitable, and not unfairly discriminatory because it should still encourage market participants to be rational and efficient in the use of the Exchange's system capacity, which benefits all market participants. The proposed reduced fee is reasonable because it would apply to all market participants that are subject to the Messages Fee.

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

In accordance with Section 6(b)(8) of the Act,<sup>10</sup> the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed changes to the ATP fees are pro-competitive because the changes are consistent with similar fees on other options exchanges.<sup>11</sup> The proposed change does not impose an undue burden on non-MMs as only MMs require multiple ATPs to satisfy quoting obligations on the Exchange. To the extent that the proposed change results in more competitive quoting, the proposed change is pro-competitive and should result in increased opportunities to trade as well as enhanced price discovery to the benefit of all market participants.

Similarly, the changes to the Messages Fees would not place an unfair burden on competition as it would continue to encourage efficient use of Exchange bandwidth and would apply to all market participants that are subject to the Messages Fee.

To the extent that these purposes are achieved, the Exchange believes that the proposed changes would enhance the quality of the Exchange's markets and increase the volume of orders directed to the Exchange. In turn, all the Exchange's market participants would benefit from the improved market liquidity. If the proposed changes make the Exchange a more attractive

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fees, starting at \$6,000 per month for the first trading permit up to \$1,000 per month for the fifth and additional permits).

<sup>10</sup> 15 U.S.C. 78f(b)(8).

<sup>11</sup> See supra note 9.

marketplace for market participants at other exchanges, such market participants are welcome to become ATP Holders.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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)

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>12</sup> and subparagraph (f)(2) of Rule 19b-4<sup>13</sup> because it establishes a due, fee, or other charge imposed by the Exchange. At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) of the Act to determine whether the proposed rule change should be approved or disapproved.<sup>14</sup>

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

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

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<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>13</sup> 17 CFR 240.19b-4(f)(2).

<sup>14</sup> 15 U.S.C. 78s(b)(2)(B).

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 the Proposed Rule Change for Publication in the Federal Register

Exhibit 5 – Amendment to the Exchange’s Fee Schedule

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-NYSEAMER-2017-20)

[Date]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change to Modify the NYSE American Options Fee Schedule

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on September 29, 2017, NYSE American LLC (the “Exchange” or “NYSE American”) 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 modify the NYSE American Options Fee Schedule (“Fee Schedule”). The Exchange proposes to implement the fee change effective October 1, 2017. The proposed change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

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<sup>1</sup> 15 U.S.C.78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

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 purpose of this filing is to modify the Fee Schedule, effective October 1, 2017. Specifically, the Exchange proposes to (i) modify the monthly rates for certain American Trading Permits (each an “ATP”); and (ii) reduce the Messages to Contracts Traded Ratio Fees.

Monthly ATP Fees

NYSE American Market Makers (each, an “MM”) must have a certain number of ATPs each month in order to submit electronic quotations in option issues in their appointment.<sup>4</sup> The Exchange currently employs a sliding scale for the cost to each MM per ATP, with the amount decreasing as the number of ATPs utilized increases, as follows:

ATP Type	Monthly Fee Per ATP	Number Of Issues Permitted In A Market Makers Quoting Assignment
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<sup>4</sup> See Fee Schedule, Section III.A. (Monthly ATP Fees), [available here, https://www.nyse.com/publicdocs/nyse/markets/american-options/NYSE\\_American\\_Options\\_Fee\\_Schedule.pdf](https://www.nyse.com/publicdocs/nyse/markets/american-options/NYSE_American_Options_Fee_Schedule.pdf).

MM 1st ATP	\$8,000	60 plus the Bottom 45% <sup>5</sup>
MM 2nd ATP	\$6,000	150 plus the Bottom 45%
MM 3rd ATP	\$5,000	500 plus the Bottom 45%
MM 4th ATP	\$4,000	1,100 plus the Bottom 45%
MM 5th ATP	\$3,000	All issues traded on the Exchange
MM 6th or more ATPs	\$2,000	All issues traded on the Exchange

Thus, an MM that would like the privilege of quoting in all issues traded on the Exchange must have at least five ATPs. And, if an MM firm sponsors multiple individual MMs, the MM firm must pay for the requisite number of ATPs for each individual MM to submit quotes on the Exchange. For example, assume an MM firm has three individual MMs and that each MM needs to be able to submit quotes in all issues traded on the Exchange. In this example, the MM firm would have to pay for 15 ATPs (five for each individual MM).

The Exchange proposes to modify its monthly ATP rates such that it will charge \$2,000 for the 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup>, and 9<sup>th</sup> ATP and would charge \$500 per month for the tenth or additional ATPs. The Exchange believes that this proposed reduction in ATP fees would encourage MM firms to have more individual MMs to quote on the Exchange, which will in turn encourage liquidity and depth of markets.

#### Messages to Contracts Traded Ratio Fees

The Exchange proposes to modify the Messages to Contracts Traded Ratio Fees (“Messages Fee”), which are assessed as part of the Monthly Excessive Bandwidth Utilization Fees.<sup>6</sup> Currently, the Exchange charges \$0.01 per 1,000 messages (including

<sup>5</sup> See *id.* (providing, in relevant part, that “[e]ach calendar quarter, with a one-month lag, the Exchange will publish on its website a list of the Bottom 45% of issues traded”).

<sup>6</sup> See Fee Schedule, Section II (Monthly Excessive Bandwidth Utilization Fees)

orders or quotes) in excess of 1.5 million messages in a calendar month if the ATP Holder does not execute at least 1 contract for every 1,500 – 5,000 messages entered, as determined by the Exchange.<sup>7</sup> The Exchange proposes to reduce this rate from \$0.01 to \$0.005. The Exchange believes this reduced rate would still encourage market participants to be rational and efficient in the use of the Exchange’s system capacity.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,<sup>9</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposed change to ATP fees is reasonable and not unfairly discriminatory because the fees are within the general range of similar fees assessed for trading permits on other exchanges.<sup>10</sup> In addition, the proposed change

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(“EBUF”) (describing both the Messages to Contracts Traded Ratio Fee and the Order to Trade Ratio Fee, which comprises the EBUF, and noting that if an ATP Holder is liable for either or both fees in a given month, that firm would only be charged the greater of the two fees). The Exchange is not modifying the Order to Trade Ratio Fees.

<sup>7</sup> Currently, the Exchange has set the ratio at 1 contract for every 5,000 messages.

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>10</sup> See Chicago Board of Options Exchange (“CBOE”) fee schedule, Market-Maker Trading Permit Sliding Scale, p. 7, available here, <http://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf> (charging \$5,000 per trading permit for the first ten permits); NYSE Arca Options Fee Schedule, NYSE Arca GENERAL OPTIONS and TRADING PERMIT (OTP) FEES, available here, [https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE\\_Arca\\_Options\\_Fee\\_Schedule.pdf](https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE_Arca_Options_Fee_Schedule.pdf) (imposing a sliding scale of

relates to the cost of ATPs for MMs and are therefore are not unfairly discriminatory to non-MMs because only MMs are required to submit quotations as part of their obligations to operate on the Exchange (resulting in the need for multiple ATPs). To the extent that the proposed fee encourages MM firms to have more individual MMs quoting on the Exchange, all market participant would benefit from competitive quoting that would increase opportunities to trade and enhance price discovery.

The Exchange also believes that the proposed reduction in the Messages Fees is reasonable, equitable, and not unfairly discriminatory because it should still encourage market participants to be rational and efficient in the use of the Exchange's system capacity, which benefits all market participants. The proposed reduced fee is reasonable because it would apply to all market participants that are subject to the Messages Fee.

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

In accordance with Section 6(b)(8) of the Act,<sup>11</sup> the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed changes to the ATP fees are pro-competitive because the changes are consistent with similar fees on other options exchanges.<sup>12</sup> The proposed change does not impose an undue burden on non-MMs as only MMs require multiple ATPs to satisfy quoting obligations on the Exchange. To the extent that the proposed change results in more competitive quoting, the proposed change is pro-competitive and should result in

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fees, starting at \$6,000 per month for the first trading permit up to \$1,000 per month for the fifth and additional permits).

<sup>11</sup> 15 U.S.C. 78f(b)(8).

<sup>12</sup> See supra note 10.

increased opportunities to trade as well as enhanced price discovery to the benefit of all market participants.

Similarly, the changes to the Messages Fees would not place an unfair burden on competition as it would continue to encourage efficient use of Exchange bandwidth and would apply to all market participants that are subject to the Messages Fee.

To the extent that these purposes are achieved, the Exchange believes that the proposed changes would enhance the quality of the Exchange's markets and increase the volume of orders directed to the Exchange. In turn, all the Exchange's market participants would benefit from the improved market liquidity. If the proposed changes make the Exchange a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become ATP Holders.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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

The foregoing rule change is effective upon filing pursuant to Section

19(b)(3)(A)<sup>13</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>14</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>15</sup> of the Act to determine whether the proposed rule change should be approved or 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEAMER-2017-20 on the subject line.

##### Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and

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<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f)(2).

<sup>15</sup> 15 U.S.C. 78s(b)(2)(B).

Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEAMER-2017-20. 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEAMER-2017-20 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.<sup>16</sup>

Robert W. Errett  
Deputy Secretary

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<sup>16</sup> 17 CFR 200.30-3(a)(12).

Additions underscored  
 Deletions [bracketed]

## NYSE AMERICAN OPTIONS FEE SCHEDULE

Effective as of [~~September~~October 1, 2017

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### Section III. Monthly Trading Permit, Rights, Floor Access and Premium Product Fees

- A. Monthly ATP Fees.** ATP fees are charged based on the maximum number of ATPs held during the month, according to the table shown below. The “Bottom 45%” refers to the least actively traded issues on the Exchange, ranked by industry volume, as reported by the OCC for each issue during the calendar quarter. Each calendar quarter, with a one-month lag, the Exchange will publish on its website a list of the Bottom 45% of issues traded. Any newly listed issues will automatically become part of the Bottom 45% until the next evaluation period, at which time they may or may not remain part of the Bottom 45% list depending upon their trading volumes and resultant rank among all issues traded on the Exchange.

ATP Type	Monthly Fee Per ATP	Number Of Issues Permitted In A Market Makers Quoting Assignment
Floor Broker	\$500	N/A
Order Flow Provider	\$1,000	N/A
Clearing Member	\$1,000	N/A
NYSE American Options Market Maker 1st ATP	\$8,000	60 plus the Bottom 45%
NYSE American Options Market Maker 2nd ATP	\$6,000	150 plus the Bottom 45%
NYSE American Options Market Maker 3rd ATP	\$5,000	500 plus the Bottom 45%
NYSE American Options Market Maker 4th ATP	\$4,000	1,100 plus the Bottom 45%
NYSE American Options Market Maker 5th ATP	\$3,000	All issues traded on the Exchange
NYSE American Options Market Maker 6th [or more]to 9 <sup>th</sup> ATP[s]	\$2,000	All issues traded on the Exchange

<u>NYSE American Options Market Maker 10<sup>th</sup> or more ATPs</u>	<u>\$500</u>	<u>All issues traded on the Exchange</u>
NYSE American Options Floor Market Maker 1st ATP <sup>1</sup>	\$5,000	60 plus the Bottom 45%
NYSE American Options Floor Market Maker 2nd ATP <sup>1</sup>	\$5,000	150 plus the Bottom 45%
Reserve Floor Market Maker ATP	\$175	N/A

- <sup>1.</sup> An NYSE American Options Floor Market Maker ATP is a Floor Market Maker that purchases no more than two ATPs per month and transacts at least 75% of its volume, excluding QCC and Strategy Executions, as Manual trades in open outcry on the Trading Floor.

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## Section II. Monthly Excessive Bandwidth Utilization Fees

The Order to Trade Ratio Fee and the Messages to Contracts Traded Ratio Fee (described below) are referred to collectively as the Excessive Bandwidth Utilization Fees. In the event that an ATP Firm is liable for either or both of the Excessive Bandwidth Utilization Fees in a given month, that firm would only be charged the greater of the two fees. The Exchange may exclude one or more days of data for purposes of calculating the Excessive Bandwidth Utilization Fees for an ATP Firm if the Exchange determines, in its sole discretion, that one or more ATP Firms or the Exchange was experiencing a bona fide systems problem.

### A. No Change

**B. Messages to Contracts Traded Ratio Fees.** For purposes of this Fee, a “message” is defined as a quote and/or an order, for both Mini Option and Standard Option contracts. The Messages to Contracts Traded Ratio Fee is [~~\$0.01~~]\$0.005 per 1,000 messages in excess of 1.5 billion messages in a calendar month if the ATP Holder does not execute at least 1 contract for every 1,500-5,000 messages, as determined by the Exchange. The Exchange shall notify ATP Holders of any change to the number of messages entered to be used to calculate the Fee at least one business day in advance of such change via a Trader Update and such number shall be applicable in the following calendar month and thereafter unless or until it is changed. ATP Holders acting as NYSE American Options Market Makers will receive an additional one million messages per month (beyond the 1.5 billion messages) for each option issue in their Market Maker appointment if they execute in the aggregate across all options issues in their assignment at least 20,000 contracts average daily volume electronically per month as a NYSE American Options Market Maker.

In calculating this Fee, the Exchange will aggregate activity of Affiliated OFPs and NYSE American Options Market Maker firms provided the NYSE American Options Market Maker emails the Exchange at [optionsbilling@nyse.com](mailto:optionsbilling@nyse.com) with a list of its Affiliated entities to request to have activity aggregated.

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