



Martha Redding
Associate General Counsel
Assistant Secretary

New York Stock Exchange
11 Wall Street
New York, NY 10005
T + 1
F + 1

July 11, 2016

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. 34-77540 (SR-NYSEMKT-2016-42)

Dear Mr. Fields:

NYSE MKT, LLC. filed the attached Partial Amendment No. 1 to the above-referenced filing on July 8, 2016.

Sincerely,

A handwritten signature in blue ink, appearing to be the initials "BJF" followed by a large, sweeping flourish.

Encl. (Partial Amendment No. 1 to SR-NYSEMKT-2016-42)

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.

NYSE MKT, LLC (the “Exchange”) hereby submits this partial amendment to SR-NYSEMKT-2016-42 (the “Filing”). The Exchange proposes to make the following changes to the text in the Filing and the Notice of Proposed Rule Change (Exhibit 1) to be consistent with the Exhibit 5:

1. Delete the following bracketed text, which contains the first full paragraph, on page 6 of the Filing and includes footnotes 13, 14 (page 14-15 of the Exhibit 1 and includes footnotes 14, 15) and insert the underlined text:

[In connection with the proposed changes to Rule 952NY(b), the Exchange likewise proposes to strike from Rule 952NY(c) reference to “the midpoint of the best quote bids and quote offers in the System Book” as it relates to the Exchange determining the opening price for options issues designated for trading on the System.^{fn} The Exchange believes this conforming change is necessary given that the Exchange would no longer open solely on a Market Maker quote and therefore this information would not form the basis of the opening price of a series. As proposed, the opening price of a series would be the price “at which the greatest number of contracts will trade at or nearest to the midpoint of the initial uncrossed NBBO disseminated by OPRA.”^{fn} The Exchange believes this change adds transparency and internal consistency to the rule text.]

The Exchange also proposes to amend Rule 952NY(c) to clarify how the Exchange determines the opening price for options issues designated for trading on the System. Current Rule 952NY(c) provides that

[t]he opening price of a series will be the price, as determined by the System, at which the greatest number of contracts will trade at or nearest to the midpoint of the initial uncrossed NBBO disseminated by OPRA, if any, or the midpoint of the best quote bids and quote offers in the System Book. Midpoint pricing of the Trading Auction will not occur if that price would result in an order or part of an order being traded through. Instead the Trading Auction will occur at that order's limit price, or, if the order's limit price is superior to the quoted market, within the range of 75% of the best quote bid and 125% of the best quote offer.

The Exchange proposes to amend Rule 952NY(c) to clarify and add specificity to how the opening price is determined and under what circumstances “at or nearest to the midpoint” pricing is utilized and to also remove text that is superfluous to current functionality, including because the Exchange would refrain from opening a given option series until it has received an uncrossed NBBO from OPRA. As proposed, Rule 952NY(c) would provide that

[t]he opening price of a series will be the price, as determined by the System, at which the greatest number of contracts will trade at a price at or between the NBBO disseminated by OPRA. If the same number of contracts can trade at multiple prices, the opening price is the price at

which the greatest number of contracts can trade that is at or nearest to the midpoint of the NBBO disseminated by OPRA, provided that if one of the prices is equal to the price of any Limit Order(s) in the Consolidated Book, the opening price will be the same price as the Limit Order(s) with the greatest size and, if the same size, the highest price. If there is a tie between price levels and no Limit Orders exist at either of the prices, the Exchange would use the higher price.

Thus, to establish the opening price, the Exchange would wait for OPRA to disseminate an NBBO for each option series and would select a price within the NBBO at which the greatest number of contracts can trade. The Exchange notes that, per current Rule 952NY(b)(D), the System would only conduct an Auction Process (and thus select an opening price at or within the NBBO) provided the bid-ask differential is within an acceptable range. Assuming there is a single price where the most contracts can trade, that would be the opening price for the series. The proposed rule text clarifies what the System does if there is a tie and the same number of contracts can trade at multiple prices. Should a tie between prices occur, the System would select an opening price at which the greatest number of contracts trade that is at or nearest to the midpoint of the NBBO disseminated by OPRA; provided that if one of the prices is equal to the price of any Limit Order(s) in the Consolidated Book, the opening price will be the same price as the Limit Order(s). Thus, as proposed, if there is a tie (i.e., the same number of contracts can trade at multiple prices), and there is more than one Limit Order at a given price, the System would select the price with the greatest size and, if the same size, the highest price. In other words, for example, if one of the two prices at which the same number of contracts can be executed near the midpoint of the NBBO consists of a Limit Order, the Exchange would open the option series with an execution occurring at the price of the Limit Order. And, if there is more than one price with Limit Orders, the System would select as the opening price the price with the greatest size (i.e., trading the highest number of contracts) or, if the same size, the highest price. The Exchange notes that if there is a tie between price levels and no Limit Orders exist at either of the prices, the Exchange would use the higher price. The Exchange believes these proposed amendments would add clarity and specificity to how the Exchange determines the opening price, including when there is more than one price level at which a security may be opened.

In connection with the foregoing modifications to the Rule, the Exchange proposes to delete the remainder of current Rule 925NY(c) as the text is superfluous given the current functionality of the single price opening auction. By definition Limit Orders are to be executed at or better than their stated limit price, therefore rule text explicitly stating this is unnecessary. Further, the additional language to be deleted regarding using a parameter within which an opening price would be determined (i.e., “within the range of 75% of the best quote bid and 125% of the best quote offer”) is no longer necessary or accurate given the requirement that the Exchange refrain from opening each series until it

has an NBBO from OPRA. The language setting forth the parameter was only relevant when the Exchange, in lieu of using the NBBO (if, for example the NBBO was not available), could open using Market Maker quote bids and offers that were in the System. However, because the Exchange will refrain from determining an opening price until it has received an NBBO disseminated from OPRA – a much more reliable metric than local Market Maker quotes – this rule text is therefore obsolete. The Exchange believes these proposed amendments, and the deletion of unnecessary and obsolete rule text, would add clarity and transparency to how the Exchange determines the opening price, including when there is more than one price level at which a security may be opened.

2. Delete the following bracketed text, which contains the second full paragraph, on page 8 of the Filing and page 17 of the Exhibit 1 and insert the underlined text:

[Similarly, the Exchange believes the conforming change to Rule 952NY(c), which strikes reference to quote bids and quote offers in the OX Book for purposes of determining an opening price, likewise would promote just and equitable principles of trade as it would add transparency and internal consistency to Exchange rules, which would make them easier for market participants to navigate.]The Exchange believes the change to Rule 952NY(c), which modifies and amplifies the description of how the Exchange determines an opening price, and the circumstances under which it utilizes midpoint pricing, would promote just and equitable principles of trade as it would add clarity and transparency to Exchange rules, which would make them easier for market participants to comprehend and navigate.

* * * * *

Additionally, the Exchange requests the Commission to find good cause to grant accelerated approval of NYSEMKT-2016-42, as amended, pursuant to Section 19(b)(2) of the Act. Accelerated approval would allow the Exchange to implement, without delay, the proposed change to add specificity to, and remove obsolete language from, the rule text regarding how the Exchange determines an opening price and under what circumstances it utilizes midpoint pricing, which adds transparency and internal consistency to Exchange rules making them easier for market participants to navigate.

EXHIBIT 4
Text of the Proposed Rule Change:¹

Rules of the NYSE MKT LLC

Trading of Option Contracts

Section 900NY. Rules Principally Applicable to Trading of Option Contracts

Rule 952NY. Opening Process

(a) A "Trading Auction" is a process by which trading is initiated in a specified options class. Trading Auctions may be employed at the opening of the Exchange each business day or to re-open trading after a trading halt. Trading Auctions will be conducted automatically by the System. Trading Auctions will be conducted in the following manner:

System Automated Opening Auction

(b) *Establishing a Market for the Opening Auction.* The system will accept market and limit orders and quotes for inclusion in the opening auction process ("Auction Process") until such time as the Auction Process is initiated in that option series. Contingency orders (except for "opening only" orders) will not participate in the Auction Process. Any eligible open orders residing in the System Book from the previous trading session will be included in the Auction Process. At or [A]after 9:30 a.m. Eastern Time, once the primary market for the underlying security disseminates [the opening]a quote and a trade that is at or within the quote[or the opening quote], the related option series will be opened automatically based on the following principles and procedures:

- (A) The system will determine a single price at which a particular option series will be opened.
- (B) Orders and quotes in the system will be matched up with one another based on price-time priority; provided, however, that [O]orders will have priority over Market Maker quotes at the same price.

¹ For changes made pursuant to the original filing, new text is underscored and deleted text is in brackets; for changes made pursuant to the first partial amendment, new text is in bold and deleted text is struck-through.

(C) Orders in the System Book that were not executed during the Auction Process shall become eligible for the Core Trading Session immediately after the conclusion of the Auction Process.

(D) The System will not conduct an Auction Process if the bid-ask differential for that series is not within an acceptable range. For the purposes of this rule, an acceptable range shall mean within the bid-ask differential guidelines established pursuant to Rule 925NY(b)(4).

(E) If the System does not open a series with an Auction Process, the System shall open the series for trading after receiving notification of an initial uncrossed NBBO disseminated by OPRA for the series [or on a Market Maker quote], provided that the bid-ask differential does not exceed the bid-ask differential specified under Rule 925NY(b)(5).

(F) The Exchange may deviate from the standard manner of the Auction Process, including adjusting the timing of the Auction Process in any option class, when it believes it is necessary in the interests of a fair and orderly market.

(c) Determining the Opening Price for Option Issues Designated for Trading on the System. The opening price of a series will be the price, as determined by the System, at which the greatest number of contracts will trade at **a price at or between the NBBO disseminated by OPRA. If the same number of contracts can trade at multiple prices, the opening price is the price at which the greatest number of contracts can trade that is at or nearest to the midpoint of the NBBO disseminated by OPRA, provided that if one of the prices is equal to the price of any Limit Order(s) in the Consolidated Book, the opening price will be the same price as the Limit Order(s) with the greatest size and, if the same size, the highest price. If there is a tie between price levels and no Limit Orders exist at either of the prices, the Exchange would use the higher price.** ~~or nearest to the midpoint of the initial uncrossed NBBO disseminated by OPRA[, if any, or the midpoint of the best quote bids and quote offers in the System Book]. Midpoint pricing of the Trading Auction will not occur if that price would result in an order or part of an order being traded through. Instead the Trading Auction will occur at that order's limit price, or, if the order's limit price is superior to the quoted market, within the range of 75% of the best quote bid and 125% of the best quote offer.~~

(d) Re-Opening After a Trading Halt. A Trading Auction will be conducted following the procedures described in paragraphs (a) through (c) of this Rule to reopen an option class after a trading halt.

Delete the following bracketed text and insert the underlined text in the Exhibit 5:

(c) Determining the Opening Price for Option Issues Designated for Trading on the System. The opening price of a series will be the price, as determined by the System, at

which the greatest number of contracts will trade at a price at or between the NBBO disseminated by OPRA. If the same number of contracts can trade at multiple prices, the opening price is the price at which the greatest number of contracts can trade that is at or nearest to the midpoint of the NBBO disseminated by OPRA, provided that if one of the prices is equal to the price of any Limit Order(s) in the Consolidated Book, the opening price will be the same price as the Limit Order(s) with the greatest size and, if the same size, the highest price. If there is a tie between price levels and no Limit Orders exist at either of the prices, the Exchange would use the higher price.[or nearest to the midpoint of the initial uncrossed NBBO disseminated by OPRA, if any, or the midpoint of the best quote bids and quote offers in the System Book. Midpoint pricing of the Trading Auction will not occur if that price would result in an order or part of an order being traded through. Instead the Trading Auction will occur at that order's limit price, or, if the order's limit price is superior to the quoted market, within the range of 75% of the best quote bid and 125% of the best quote offer.]

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