

Additions: Underlined  
Deletions: [Bracketed]

Rules of New York Stock Exchange LLC

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**Pillar Platform Rules (Rules 1P - 13P)**

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**Rule 7P EQUITIES TRADING**

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**Section 3. Exchange Trading**

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**Rule 7.31. Orders and Modifiers**

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(a) Primary Order Types

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(3) Inside Limit Order. A Limit Order that is to be traded at the best price obtainable without trading through the NBBO. Inside Limit Orders are not available to Designated Market Makers.

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**Rule 7.35. Series. Auctions**

**Rule 7.35. General**

(a) *Definitions.* The following are definitions for purposes of Rule 7P:

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(4) “Auction Imbalance Information” means the information that is disseminated by the Exchange for an Auction. DMM Auction Liquidity is never included in Auction Imbalance Information.

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(C) “Continuous Book Clearing Price” means the price at which all better-priced orders eligible to trade in an Auction on the Side of the Imbalance of such orders can be traded. If there is no Imbalance of all orders eligible to trade in the Auction, the Continuous Book Clearing Price will be the Imbalance Reference Price rounded to the MPV for the security.

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### **Rule 7.35B. DMM-Facilitated Closing Auctions**

(a) *DMM and Floor Broker Responsibilities.* It is the responsibility of each DMM to ensure that registered securities close as soon after the end of Core Trading Hours as possible, while at the same time not unduly hasty, particularly when at a price disparity from the Exchange Last Sale Price.

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(2) *DMM Interest:* A DMM may enter [or cancel] DMM Auction Liquidity[Interest] after the end of Core Trading Hours in order to supply liquidity as needed to meet the DMM’s obligation to facilitate the Closing Auction in a fair and orderly manner. The entry of DMM Auction Liquidity[Interest] after the end of Core Trading Hours will not be subject to Limit Order Price Protection. DMM Orders will not be eligible to participate in the Closing Auction, will not be included in the calculation of the Continuous Book Clearing Price for the Closing Auction, and will be cancelled at the end of Core Trading Hours.

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(c) *DMM Closing Process.* The DMM may effectuate a Closing Auction manually or electronically (see Rule 104(b)(ii)).

(1) A DMM may not effect a Closing Auction electronically if:

(A) the DMM has begun the process to close a security manually, including by manually entering DMM Auction Liquidity;

(B) [Floor Broker Interest for the Closing Auction that has been electronically entered or requested to be cancelled has not yet been accepted by the DMM;

(C) it is the first day of trading of a security that is the subject of an IPO or a Direct Listing and the security never opened;

[(D)](C) the security is suspended or halted at the end of Core Trading Hours;

[(E)](D) there is no Exchange Last Sale Price;

[(F)](E) a temporary suspension under paragraph (j)(2)(A) of this Rule has been invoked;

[(G)](F) the Closing Auction Price will be more than 10% away from the last-published Imbalance Reference Price[Exchange Last Sale Price].

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(g) *Determining an Auction Price.* The DMM is responsible for determining the Auction Price for a Closing Auction under this Rule.

(1) If there is an Imbalance of any size, the DMM must select an Auction Price at which all better-priced orders on the Side of the Imbalance can be satisfied.

(2) The Auction Price must be at or between the last-published Imbalance Reference Price and the last-published non-zero Continuous Book Clearing Price.

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(j) *Temporary Rule Suspensions.*

(1) Temporary Suspension of DMM Automated Closing Limitations.

(A) If the CEO of the Exchange, or his or her designee, determines that a Floor-wide event is likely to have an impact on the ability of DMMs to arrange for a fair and orderly Closing Auction and that, absent relief, the operation of the Exchange is likely to be impaired, the CEO of the Exchange may temporarily suspend the prohibition on a DMM closing a security electronically if the Closing Auction Price will be more than the price parameter specified in paragraph (c)(1)[(G)](F) of this Rule.

(B) In determining whether to temporarily suspend paragraph (c)(1)[(G)](F) of this Rule, the CEO of the Exchange will:

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(2) *Extreme Order Imbalances at or Near the Close.* To avoid closing price dislocation that may result from an order entered into Exchange systems [or represented to a DMM orally] at or near the end of Core Trading Hours, the Exchange may temporarily suspend the following:

(A) The requirement to enter all order instructions by the end of Core Trading Hours (Rule 7.34(a)(2)(B)) to permit the solicitation and entry of orders into Exchange systems, provided that:

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(iii) If the Side of the Imbalance is to buy (sell), during the Solicitation Period, the Exchange will accept only sell (buy) Limit Orders [and Floor Broker Interest] with a limit price equal to or higher (lower) than the Exchange Last Sale Price. Such orders will not be subject to the Limit Order Price Check and will not be routed to an Away Market. DMM Orders will be rejected during the Solicitation Period. The Exchange will reject all other orders and requests to cancel any orders, regardless of the time of entry of the original order. Orders entered during the Solicitation Period will be included in the calculation of the Continuous Book Clearing Price;

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#### **Rule 104. Dealings and Responsibilities of DMMs**

(a) DMMs registered in one or more securities traded on the Exchange must engage in a course of dealings for their own account to assist in the maintenance of a fair and orderly market insofar as reasonably practicable. The responsibilities and duties of a DMM specifically include, but are not limited to, the following:

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2. Facilitate openings and reopenings, including the Midday Auction, for each of the securities in which the DMM is registered as required under Exchange rules. This may include supplying liquidity as needed. (See Rule [123D]7.35A for additional responsibilities of DMMs with respect to Core Open Auctions and Trading Halt Auctions[openings and Rule 13 with respect to Reserve Order interest procedures at the opening].) DMM and DMM unit algorithms will have access to aggregate order information in order to comply with this requirement. [(See Supplementary Material .05 of this 104 with respect to odd-lot order information to the DMM unit algorithm.)]
3. Facilitate the close of trading for each of the securities in which the DMM is registered as required by Exchange rules. This may include supplying liquidity as needed. (See Rule [123C]7.35B for additional responsibilities of DMMs with respect to Closing Auctions[closes and Rule 13 with respect to Reserve Order interest procedures at the close].) DMM and DMM unit algorithms will have access to aggregate order information in order to comply with this requirement.

#### **(b) DMM Unit Algorithms**

1. DMM units shall have the ability to employ algorithms for quoting and trading consistent with NYSE and SEC regulations.

2. [Exchange systems shall enforce the proper sequencing of incoming orders and algorithmically-generated messages and will prevent incoming DMM interest from trading with resting DMM interest. If the incoming DMM interest would trade with resting DMM interest only, the incoming DMM interest will be cancelled. If the incoming DMM interest would trade with interest other than DMM interest, the resting DMM interest will be cancelled.]Unless otherwise specified in Rule 7.31, DMM unit algorithms may use the orders and modifiers set forth in Rule 7.31.
3. Except as provided for in paragraphs (a)(2) and (a)(3) of this Rule, the DMM unit's system employing algorithms will have access to information with respect to orders entered on the Exchange[, Floor Broker agency interest files or reserve interest,] to the extent such information is made publicly available. DMM unit algorithms will receive the same information with respect to orders entered on the Exchange[, Floor Broker agency interest files or reserve interest] as is disseminated to the public by the Exchange and shall receive such information no sooner than it is available to other market participants.
4. [The DMM unit's algorithm may place within Exchange systems trading interest to be known as a "Capital Commitment Schedule". (See Rule 1000 concerning the operation of the Capital Commitment Schedule.)
- 5.] All DMM unit trades via an algorithm must comply with all SEC and Exchange rules, policies and procedures governing DMM unit trading
- [6. DMM units may not enter the following orders and modifiers: Market Orders, Inside Limit Orders, MOO Orders, CO Orders, MOC Orders, LOC Orders, or Last Sale Peg Orders.]

(c) [A DMM unit may maintain reserve interest consistent with Exchange rules governing Reserve Orders. Such reserve interest is eligible for execution in manual transactions.

(d) A DMM unit may provide algorithmically-generated price improvement to all or part of an incoming order that can be executed at or within the Exchange BBO through the use of Capital Commitment Schedule interest (see Rule 1000). Any orders eligible for execution in Exchange systems at the price of the DMM unit's interest will trade on parity with such interest, as will any displayed interest representing a d-Quote enabling such interest to trade at the same price as the DMM unit's interest.

(e) DMM units shall provide contra side liquidity as needed for the execution of odd-lot quantities that are eligible to be executed as part of the opening, re-opening and closing transactions but remain unpaired after the DMM has paired all other eligible round lot sized interest.

**(f) Functions of DMMs**

1. Any member who expects to act as a DMM in any listed security must be registered as a DMM. See Rule 103 for registration requirements for DMMs.

2. The function of a member acting as a DMM on the Floor of the Exchange includes the maintenance, in so far as reasonably practicable, of a fair and orderly market on the Exchange in the securities in which he or she is so acting. The maintenance of a fair and orderly market implies the maintenance of price continuity with reasonable depth, to the extent possible consistent with the ability of participants to use reserve orders, and the minimizing of the effects of temporary disparity between supply and demand. In connection with the maintenance of a fair and orderly market, it is commonly desirable that a member acting as DMM engage to a reasonable degree under existing circumstances in dealings for the DMM's own account when lack of price continuity, lack of depth, or disparity between supply and demand exists or is reasonably to be anticipated.
3. The Exchange will supply DMMs with suggested Depth Guidelines for each security in which a DMM is registered. The administration of the Depth Guidelines will be contained in notices periodically issued to all DMMs. In connection with a DMM's responsibility to maintain a fair and orderly market, DMMs will be expected to quote and trade with reference to the Depth Guidelines where necessary.
4. DMMs are designated as market maker on the Exchange for all purposes under the Securities Exchange Act of 1934 and the rules and regulations thereunder.
5. The requirements Rule 104(f)(2) and (3) will be operative with respect to ETPs upon implementation of the applicable Depth Guidelines by the Exchange, but in any event no later than eighteen weeks after ETPs listed on the Exchange pursuant to Rules 5P and 8P begin trading.

**[(g)](d) Transactions by DMMs**

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**[(h)](e) Trading Floor Functions of DMMs**

- i. A DMM may perform the following Trading Floor functions:
  - A. maintain order among Floor brokers manually trading at the DMM's assigned panel;
  - B. bring Floor brokers together to facilitate trading, which may include the DMM as a buyer or seller;
  - C. assist a Floor broker with respect to an order by providing information regarding the status of a Floor broker's orders, helping to resolve errors or questioned trades, adjusting errors, and cancelling or inputting Floor broker agency interest on behalf of a Floor broker; and

- D. research the status of orders or questioned trades on his or her own initiative or at the request of the Exchange or a Floor broker when a Floor broker's handheld device is not operational, when there is activity indicating that a potentially erroneous order was entered or a potentially erroneous trade was executed, or when there otherwise is an indication that improper activity may be occurring.
  
- ii. The Exchange may make systems available to a DMM at the post that display the following information about securities in which the DMM is registered: (A) aggregated buying and selling interest; and (B) [the price and size of any individual order or Floor broker agency interest file and the entering and clearing firm information for such order, except that the display shall exclude any order or portion thereof that a market participant has elected not to display to a DMM; and (C)] post-trade information. A DMM may not use any information provided by Exchange systems pursuant to this subparagraph (ii) in a manner that would violate Exchange rules or federal securities laws or regulations.
  
- iii. The DMM may provide market information that is available to the DMM at the post as described in subparagraph [(h)](e)(ii) to: (A) respond to an inquiry from a Floor broker in the normal course of business; or (B) visitors to the Trading Floor for the purpose of demonstrating methods of trading; provided, however, that a Floor broker may not submit an inquiry pursuant to this subparagraph [(h)](e)(iii) by electronic means and the DMM may not use electronic means to transmit market information to a Floor broker in response to a Floor broker's inquiry pursuant to this subparagraph [(h)](e)(iii).

**[(i)](f) Temporary DMMs.**

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**[(j)](g) Communication with Issuers of Listed Securities.**

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