

Text of Proposed Rule Change
 New text is underscored; deleted text is in [brackets]

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NYSE Arca GENERAL OPTIONS and TRADING PERMIT (OTP) FEES

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ELECTRONIC COMPLEX
 ORDER EXECUTIONS

Complex to Complex Order	\$0.10 per contract side
Complex to Complex Order, same firm representing both sides	\$0.00 per contract Side

Complex Orders in non Penny Pilot Issues executed against individual orders in the Consolidated Book will be subject to Standard Execution rate per contract.

Complex Orders in Penny Pilot Issues, executed against individual orders in the Consolidated Book will be subject to "Take Liquidity" rate per contract for that issue.

LIMIT OF FEES ON \$75,000 cap on Firm Proprietary Fees for Manual (Open Outcry) Executions,
FIRM OPEN OUTCRY exclusive of Strategy Executions, Royalty Fees and firm trades executed via a
EXECUTIONS Joint Back Office agreement.⁸

LIMIT OF FEES ON \$750 cap on transaction fees for Strategy Executions involving
OPTIONS STRATEGY (a) reversals and conversions, (b) dividend spreads, (c) box spreads,
EXECUTIONS (d) short stock interest spreads, (e) merger spreads, and (f) jelly rolls.

The cap applies to each Strategy Execution executed on the same trading day in the same option class. Transaction fees for Strategy Executions are further capped at \$25,000 per month per initiating firm. All Royalty fees associated with Strategy Executions on Index and Exchange Traded Funds will be passed through to trading participants on the Strategy Executions on a pro-rata basis. These Royalty fees will not be included in the calculation of the \$750 per trade cap or the \$25,000 per month strategy fee cap. Manual Broker Dealer and Firm Proprietary Strategy trades that do not reach the \$750 cap will be billed at \$0.25 per contract. FLEX Option trades are not eligible for strategy treatment.

MARKETING CHARGE \$0.65 per contract side on transactions of Lead Market Makers and Market Makers against all public customer orders.

Marketing Charges will not be assessed on transactions in Penny Pilot issues.

ROYALTY FEES ^{[8]9}	NDX, MNX	\$0.22
	KBW Bank Index (BKX)	\$0.10
	Russell 2000 Index (RUT)	\$0.15
	ISE FX - Foreign Currency Options (BPX, CDD, EUI, YUK, AUX, SFC)	\$0.10

Royalty Fees will be assessed on a per contract basis for firm, broker/dealer, and Market Maker transactions. For electronic executions in issues included in the Penny Pilot and Foreign Currency Options, Royalty Fees will be passed through to the trading participant on the "Take" side of the transaction.

RATIO THRESHOLD	Monthly order to execution ratio:	Monthly Charge:
FEE ^{[9]10}	Between 10,000 and 14,999 to 1	\$5,000
	Between 15,000 and 19,999 to 1	\$10,000
	Between 20,000 and 24,999 to 1	\$20,000
	25,000 to 1 and greater	\$35,000

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1. Fee will be based on the maximum number of OTPs held by an OTP Firm or OTP Holder during a calendar month.
2. This fee is in addition to the Market Maker Fee and will be billed on a per issue basis to the OTP Firm acting as LMM in the issue. This fee will not apply to Interim LMMs acting in accordance with Rule 6.82(b)(4). This fee will not apply to issues that have been designated as "closing only" and are subject to delisting by the Exchange.

3. This fee will apply to OTP Firms for which the Exchange is the Designated Examining Authority. An exemption from this fee will be granted to any NYSE Arca registered Floor Broker or Market Maker that effects at least 25% of all securities transactions, as measured in contract or share volume, on any options trading facility of NYSE Arca.
4. This fee does not apply to those firms subject to the \$2,000 monthly fee.
5. Standard Executions include all executions in non-Penny Pilot issues and all manual executions in Penny Pilot issues.
6. For Electronic Executions in Penny Pilot issues and Foreign Currency Options, Post Liquidity Fees are credited, Take Liquidity Fees are charged. Transaction fees do not apply to executions occurring during the Opening Auction in Penny Pilot issues and Foreign Currency Options. Penny Pilot issues trade as part of a pilot program in accordance with Rule 6.72.
7. Firm Facilitation – Manual applies to any transaction involving a Firm proprietary trading account that has a customer of that same Firm on the contra side of the transaction.
- ~~8. Applies to OTP Holder proprietary orders (“F” origin code) in all products, except for orders of joint back-office (“JBO”) participants, and does not include Strategy Executions or Royalty Fees. A JBO participant is a Member, Member Organization or non-member organization that maintains a JBO arrangement with a clearing broker-dealer (“JBO Broker”) subject to the requirements of Regulation T Section 220.7 of the Federal Reserve System. See also NYSE Arca Rule 4.16(c). For purpose of the Monthly Firm Cap, JBO participant orders are excluded because the Exchange is unable to differentiate orders of a JBO participant from orders of its JBO Broker and therefore is unable to aggregate the JBO participant’s orders.~~
- [8.]9. These fees will not be assessed on the customer side of transactions. Please refer to “Limit of Fees on Options Strategy Executions” section of this schedule for information regarding Royalty Fees associated with Options Strategy Executions.
- [9.]10 The Ratio Threshold Fee is calculated on a monthly basis. This fee shall not apply to orders that improve the Exchange's prevailing best bid-offer (BBO) market at the time the orders are received.