

Text of the Proposed Rule Change:¹**Rules of NYSE Arca**

Trading of Option Contracts

Rule 6. 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.

(a) –(b) No Change

Commentary:

.01- .04 No Change

.05 Price Protection Filter

(a) An incoming Electronic Complex Order will automatically be rejected back to the submitting OTP Holder if the net debit/credit limit price of the order is greater (less) than the derived contra-side net debit/credit NBBO for that same Complex Order by an amount greater (less) than that specified by the Exchange ("Specified Amount"). The Specified Amounts shall be as follows:

.10 for orders where the smallest MPV of any leg of the Electronic Complex Order is .01;

.15 for orders where the smallest MPV of any leg of the Electronic Complex Order is .05;

and .30 for orders where the smallest MPV of any leg of the Electronic Complex Order is .10.

¹ New text is underscored and deleted text is in brackets.

(b) For Electronic Complex Orders that are entered on a 1x1 ratio, the Price Protection Filter will be applied by the Specified Amount (.10, .15, or .30).

(c) For Electronic Complex Orders that are entered on an uneven ratio (2x3 for example) where the MPV on all legs is the same, the Price Protection Filter will be applied by the Specified Amount multiplied by the smallest contract size leg of the ratio (.20, .30, or .60 on a 2x3 for example).

(d) For Electronic Complex Orders that are entered on an uneven ratio where the MPV of the legs are not the same (2x3 ratio with a .10 MPV and .05 MPV for example), the Price Protection Filter will be applied by taking the lesser of; the Specified Amount applicable to the smallest size leg of the Electronic Complex Order multiplied by the contract size of that leg (.60 in this example) or the Specified Amount of the largest size leg of the Electronic Complex Order multiplied by the contract size of that leg (.45 in this example).

(e) The Price Protection Filter is applicable to incoming Electronic Complex Orders provided there is an NBBO market disseminated by OPRA for all component series of the order at the time the order is received by the Exchange.

(f) In the event of unusual market conditions and in the interest of a fair and orderly market, a Trading Official may temporarily modify on a class-by-class basis the settings within the Price Protection Filter to an amount greater than as prescribed in subsection (a). The Exchange will issue a Trader Update to all OTP Holders and OTP Firms announcing any changes to the Price Protection Filter settings.

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