

Additions: Underlined

Deletions: [Bracketed]

Rules of NYSE Arca, Inc.

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RULE 7-E EQUITIES TRADING

Section 1. General Provisions

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Rule 7.16-E. Short Sales

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(f) **Short Sale Price Test Pursuant to Rule 201 of Regulation SHO.** The following provisions will apply to short sales subject to the provisions of Rule 201 of Regulation SHO:

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(5) **Re-pricing of Orders during Short Sale Period.** During the Short Sale Period, short sale orders will be handled by Exchange systems as follows:

(A) ***Re-pricing of Orders*** — Except as provided for in paragraphs (f)(5)(B) - [(I)](J) of this Rule, short sale orders with a working price and/or display price equal to or lower than the NBB will have the working price and/or display price adjusted one minimum price increment above the current NBB (“Permitted Price”). The Permitted Price for securities for which the NBB is \$1 or more is \$.01 above the NBB; the Permitted Price for securities for which the NBB is below \$1 is \$.0001 above the NBB. To reflect declines in the NBB, the Exchange will continue to adjust the working price of a short sale order at the lowest Permitted Price down to the order's original limit price[, or if a Market Order, until the order is filled].

(B) [***Priority 1 and***] ***Priority 3 Orders*** — [Market Orders and o]Orders and reserve interest ranked Priority 3- Non-Display Orders will have a working price adjusted to a Permitted Price and will continuously adjust to a Permitted Price as the NBB moves both up and down. Reserve interest that replenishes the displayed quantity of a Reserve Order will be replenished at a Permitted Price.

(C) ***Priority 1 Orders*** -- A Market Order will be ranked Priority 2 - Display Orders and will be subject to Trading Collars specified in Rule 7.31-E(a)(1)(B)(i). If a Short Sale Period is triggered when an order ranked Priority 1 - Market Orders is

resting on the NYSE Arca Book, such resting order will be converted to an order ranked Priority 2 - Display Orders. If the Short Sale Period ends intraday, such order will be converted back to an order ranked Priority 1 - Market Orders. When ranked Priority 2 - Display Orders, such order will be:

(i) assigned a limit price of one MPV above \$0.00;

(ii) assigned a working price and (during Core Trading Hours) a display price that is the higher of the Permitted Price or one MPV above the lower Trading Collar as determined under Rule 7.31-E(a)(1)(B)(i); and

(iii) cancelled if the Permitted Price is or becomes lower than the Lower Price Band, as provided for in Rule 7.11-E(a)(5).

[(C)](D) ***Pegged Orders and MPL Orders*** — Pegged Orders and MPL Orders, including orders marked buy, sell long and sell short exempt, will use the NBBO instead of the PBBO as the reference price. The working price of MPL Orders will be the mid-point of the NBBO, including situations where the mid-point is less than one minimum price increment above the NBB.

[(D)](E) ***Tracking Orders*** — The working price of Tracking Orders will not be adjusted. Tracking Orders will not be eligible to trade at or below the NBB.

[(E)](F) ***IOC Orders*** — Limit Orders designated IOC requiring that all or part of the order be traded immediately will be traded to the extent possible at a Permitted Price and higher and then cancelled, and the working price will not be adjusted.

[(F)](G) ***ISO*** — ISOs will be rejected if the limit price is at or below the NBB.

[(G)](H) ***Cross Orders*** — Cross Orders with a cross price at or below the NBB will be rejected.

[(H)](I) ***Returned Orders*** — If a Short Sale Price Test is triggered after an order has routed, any returned quantity of the order and the order it joins on the NYSE Arca Book will be adjusted to a Permitted Price. If the order that was routed was a Reserve Order, the returned quantity of the order will first join the reserve interest at a Permitted Price before being evaluated for replenishing the display quantity of the Reserve Order.

[(I)](J) ***Proactive if Locked/Crossed Modifier*** — Proactive if Locked/Crossed Modifiers will be ignored.

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(7) **Short Exempt Orders.** During the Short Sale Period, Exchange systems will execute and display orders marked “short exempt” without regard to whether the

order is at a Permitted Price. Exchange systems will accept orders marked “short exempt” at any time when such systems are open for order entry, regardless of whether the Short Sale Price Test has been triggered.

(8) Auctions. Notwithstanding subparagraph (f)(6) of this Rule, with respect to the execution of short sale orders in a covered security in any auction during the Short Sale Period, the Exchange will adjust the working price and display price of such short sale orders in a covered security to a Permitted Price before such auction. If such a short sale order is not executed in the applicable auction and is eligible to trade, it will be priced consistent with paragraph (f)(5)(A) of this Rule.

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Rule 7.18-E. Halts

[Halts]

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(b) The NYSE Arca Marketplace will not conduct a Trading Halt Auction in a UTP Security and will process new and existing orders in a UTP Security during a UTP Regulatory Halt as follows:

- (1) cancel any unexecuted portion of Market Orders, Non-Displayed Limit Orders, MPL Orders, Tracking Orders, Market Pegged Orders, Discretionary Pegged Orders, RPI Orders, and orders not eligible to trade in the current trading session on the NYSE Arca Book;

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(c) The NYSE Arca Marketplace will process new and existing orders in securities listed on the Exchange during a halt, suspension or pause as follows:

- (1) cancel any unexecuted portion of Non-Displayed Limit Orders, MPL Orders, Tracking Orders, Market Pegged Orders, Discretionary Pegged Orders, and RPI Orders[Market Orders];

- (2) maintain any unexecuted quantity of Market Orders;

- (3) [maintain]re-price all other resting orders in the NYSE Arca Book to their limit price[at their last working price and display price];

- [(3)](4) accept and process all cancellations;

- [(4)](5) reject incoming Limit Orders designated IOC, Non-Displayed Limit Orders, MPL Orders, Cross Orders, Tracking Orders, Market Pegged Orders, Discretionary

Pegged Orders, RPI Orders, and Retail Orders [and process a request to cancel and replace a Tracking Order, Market Pegged Order, Discretionary Pegged Order, or Retail Order as a cancellation without replacing the order]; and

[(5)](6) accept all other incoming order instructions until the Auction Processing Period for the Trading Halt Auction, at which point, Rule 7.35-E(g) will govern the entry of incoming orders and order instructions.

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Section 3. NYSE Arca Marketplace

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Rule 7.31-E. Orders and Modifiers

(a) Primary Order Types

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(2) Limit Order. An order to buy or sell a stated amount of a security at a specified price or better. Unless otherwise specified, the working price and the display price of a Limit Order equal the limit price of the order, it is eligible to be routed, and it is ranked Priority 2 - Display Orders.

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(B) Limit Order Price Protection. A Limit Order to buy (sell) will be rejected if it is priced at or above (below) the greater of \$0.15 or a specified percentage away from the NBO (NBB). The specified percentage is equal to the corresponding “numerical guideline” percentage set forth in paragraph (c)(1) of Rule 7.10-E (Clearly Erroneous Executions) for the Core Trading Session. The Limit Order Price Protection will not be applied to an incoming Limit Order to buy (sell) if there is no NBO (NBB). Limit Order Price Protection will be applied when an order is eligible to trade. A Limit Order entered before the Core Trading Session that is designated for the Core Trading Session only will become subject to Limit Order Price Protection after the Core Open Auction. A Limit Order in an Auction-Eligible Security entered during a trading halt or pause will not be subject to Limit Order Price Protection. Limit Order Price Protection for both buy and sell orders that are not in the minimum price variation (“MPV”) for the security, as defined in Rule 7.6-E, will be rounded down to the nearest price at the applicable MPV.

(C) If a BB (BO) that is locked or crossed by an Away Market PBO (PBB) is cancelled, executed or routed and the next best-priced resting Limit Order(s) on the NYSE Arca Book that would become the new BB (BO) would have a display

price that would lock or cross the PBO (PBB), such Limit Order(s) to buy (sell) will be assigned a display price one MPV below (above) the PBO (PBB) and a working price equal to the PBO (PBB). When the PBO (PBB) is updated, the Limit Order(s) to buy (sell) will be repriced consistent with the original terms of the order. If a Day ISO to buy (sell) arrives before the PBO (PBB) is updated[and would result in at least a round lot being displayed as a new BB (BO)], such re-priced Limit Order(s) to buy (sell) will be repriced to the lower (higher) of the display price of the Day ISO or the original price of the Limit Order(s). [If the arriving Day ISO to buy (sell) would not result in at least a round lot being displayed, the Day ISO will be assigned a display price one MPV below (above) the PBO (PBB) and a working price equal to the PBO (PBB).]

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(h) Pegged Orders. A Limit Order that does not route with a working price that is pegged to a dynamic reference price. If the designated reference price is higher (lower) than the limit price of a Pegged Order to buy (sell), the working price will be the limit price of the order.

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(2) Primary Pegged Order. A Pegged Order to buy (sell) with a working price that is pegged to the PBB (PBO), with no offset allowed. A Primary Pegged Order to buy (sell) will be rejected on arrival, or cancelled when resting, if there is no PBB (PBO) against which to peg. A Primary Pegged Order is eligible to participate in auctions at the limit price of the order, provided that, a Primary Pegged Order is not eligible to participate in the Closing Auction.

(A) A Primary Pegged Order must include a minimum of one round lot displayed. The working price of a Primary Pegged Order equals the display price and the display quantity is ranked Priority 2 - Display Orders and the reserve interest is ranked Priority 3 - Non-Display Orders.

(B) A Primary Pegged Order will be rejected if the PBBO is locked or crossed. If the PBBO is locked or crossed when the display quantity of a Primary Pegged Reserve Order is replenished, the entire order will be cancelled. If after arrival, the PBBO becomes locked or crossed, the Primary Pegged Order will wait for a PBBO that is not locked or crossed before the working price is adjusted, but remains eligible to trade at its current working price, provided that, if a resting Limit Order on the NYSE Arca Book is assigned a new display price and working price pursuant to Rule 7.31-E(a)(2)(C) or Rule 7.35-E(h)(3)(A)(ii) and the PBBO is still locked or crossed, a resting Primary Pegged Order will also be assigned a new display price and working price pursuant to Rule 7.31-E(a)(2)(C).

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Rule 7.34-E. Trading Sessions

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(c) *Orders Permitted in Each Session.*

- (1) Early Trading Session. Unless otherwise specified in paragraphs (c)(1)(A) - ([E]F), orders and modifiers defined in Rule 7.31-E that are designated for the Early Trading Session are eligible to participate in the Early Trading Session.

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(E) MOO Orders, MOC Orders, LOC Orders, and Primary Only Orders designated for the Early Trading Session will be rejected.

(F) Non-Displayed Limit Orders, MPL Orders, Tracking Orders, and RPI Orders entered before the Auction Processing Period for the Early Open Auction concludes will be rejected.

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Rule 7.35-E. Auctions

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(e) Trading Halt Auction. A Trading Halt Auction will be conducted to re-open trading in an Auction-Eligible Security following a halt or pause of trading in that security in either the Early Trading Session, Core Trading Session, or Late Trading Session, as applicable. Orders that include a designation for the applicable trading session and are eligible to participate in an auction will be eligible to participate in a Trading Halt Auction.

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- (10) If the Re-Opening Time for a Trading Halt Auction would be in the last ten minutes of trading before the end of Core Trading Hours, the Exchange will not conduct a Trading Halt Auction in that security and will not transition to continuous trading. Instead, the Exchange will remain halted or paused and will conduct a Closing Auction in such security as provided for in paragraph (d) of this Rule. In such circumstances:

(A) MOO Orders, LOO Orders, Primary Pegged, and IO Orders [entered during the pause or halt will not participate in the Closing Auction and be cancelled]will be rejected on arrival and cancelled when resting; and

(B) the Auction Collars for the Closing Auction for such security will be the most recently widened Auction Collars for the Trading Halt Auction that did not occur.

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(h) Transition to Continuous Trading. After auction processing concludes, including if there is no Matched Volume and an auction is not conducted or when transitioning from one trading session to another, the Exchange will transition to continuous trading following an auction or when transitioning from one trading session to another as follows:

- (1) Orders that are no longer eligible to trade, either because they are Auction-Only Orders or not eligible for the next trading session, will expire.
- (2) During the transition to continuous trading, order instructions will be processed as follows:
 - (A) An order instruction received during the Auction Imbalance Freeze, the transition to continuous trading, or the Auction Processing Period under paragraph (g)(1) of this Rule will be processed in time sequence with the processing of orders as specified in paragraphs (h)(3)(A) or (B) of this Rule if it relates to an order that was received before the Auction Processing Period or that has already transitioned to continuous trading. Any subsequent order instructions relating to such order will be rejected.
 - (B) An order instruction received during the transition to continuous trading will be processed on arrival if it relates to an order that was entered during either the Auction Processing Period or the transition to continuous trading and such order has not yet transitioned to continuous trading.
- (3) When transitioning to continuous trading from a prior trading session or following an auction, orders will be processed as follows:
 - (A) A quote will be published based on unexecuted orders that were eligible to trade in the trading sessions both before and after the transition or auction, i.e., previously-live orders.
 - (i) Before publishing a quote when transitioning from a prior trading session or following the Early Open Auction, Core Open Auction, or Closing Auction: (1) previously-live orders that are marketable will be traded, routed, or cancelled in time sequence; (2) a new quote will be published only if different from the last-published quote; and (3) if the new published quote is worse than the previously-published quote and would lock or cross the PBBO, the display price of Limit Orders will be adjusted consistent with Rule 7.31-E(a)(2)(C).

(ii) Before publishing a quote following a Trading Halt Auction: (1) previously-live Limit Orders that are designated with a Proactive if Locked/Crossed Modifier or that would be the result of reserve interest replenishing the [fully-executed] display quantity of a routable Reserve Order will route, if marketable against protected quotations on Away Markets; (2) previously-live orders that are marketable against other orders in the NYSE Arca Book and that would not trade-through a protected quotation will trade; and (3) the display price of all other orders that are marketable against a protected quotation on an Away Market will be adjusted consistent with Rule 7.31-E(a)(2)(C).

(B) Next, unexecuted orders that were not eligible to trade in the prior trading session [(or were received during a halt or pause)] or that were received during the Auction Processing Period[,] will be assigned a new working time at the end of the Auction Processing Period in time sequence relative to one another based on original entry time.

(C) When processing orders, the display price and working price of an order will be adjusted based on the PBBO or NBBO, as provided for in Rule 7.31-E.

(D) When transitioning to continuous trading, the display price and working price of Day ISOs will be adjusted in the same manner as Non-Routable Limit Orders until the Day ISO is either traded in full or displayed at its limit price.

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Commentary:

.01 During a Short Sale Period (as defined in Rule 7.16-E(f)):

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(b) Sell short orders that are included in Auction Imbalance Information[, but are not eligible for continuous trading before the applicable auction,] will be adjusted to a Permitted Price as the NBB moves both up and down.

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Rule 7.38-E. Odd and Mixed Lots

(a) *Order Types.* Rules 7.31-E and 7.44-E specify whether an order may not be entered as an odd lot or mixed lot.

(b) *Ranking and Execution.* Round lot, mixed lot and odd lot orders are treated in the same manner in the NYSE Arca Marketplace, provided that:

(1) The working and display price of an odd lot order will be adjusted both on arrival and when resting on the NYSE Arca Book as follows: [based on the limit price of the order.]

(A) If the limit price of an odd lot order to buy (sell) is at or below (above) the PBO (PBB), it will have a working and display price equal to the limit price.

(B) If the limit price of an odd lot order to buy (sell) is above (below) the PBO (PBB), it will have a working price equal to the PBO (PBB). The display price will also be adjusted to the PBO (PBB) unless the order's instruction requires a display price that is different from the PBBO.

(C) If [the limit price of an odd lot order to buy (sell) is above (below) the PBO (PBB) and] the PBBO is locked or crossed and the limit price of an odd lot order to buy (sell) is above (below) the PBO (PBB), it will have a working and display price equal to the PBB (PBO). The working and display price of such odd lot order will not be adjusted again until the PBBO unlocks or uncrosses.[An odd-lot order ranked Priority 2 - Display Orders will not be assigned a new working time if its working price is adjusted under this Rule. If the display price of an odd lot order to buy (sell) is above (below) its working price, it will be ranked based on its display price.]

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