

Additions underlined.
Deletions [bracketed].

Rules of New York Stock Exchange LLC

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Rule 7P EQUITIES TRADING

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Rule 7.35. Series. Auctions

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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.
- (A) “Imbalance” means the volume of better-priced buy (sell) shares that cannot be paired with both at-priced and better-priced sell (buy) shares at the Imbalance Reference Price. The side that cannot be paired is the “Side of the Imbalance.”
- (i) “Total Imbalance” means for the Core Open and Trading Halt Auctions, the Imbalance of all orders eligible to participate in an Auction, and for the Closing Auction, the Imbalance of MOC, LOC, and Closing IO Orders, and, beginning [five]ten minutes before the scheduled end of Core Trading Hours, Closing D Orders.
- (ii) “Closing Imbalance” means the Imbalance of MOC and LOC Orders to buy and MOC and LOC Orders to sell. A “Manual Closing Imbalance” means a Closing Imbalance disseminated by the DMM before the Closing Auction Imbalance Freeze Time and a “[Regulatory]Significant Closing Imbalance” means a Closing Imbalance disseminated at or after the Closing Auction Imbalance Freeze Time.
- (B) “Paired Quantity” means the volume of better-priced and at-priced buy shares that can be paired with better-priced and at-priced sell shares at the Imbalance

Reference Price and “Unpaired Quantity” means the volume of better-priced and at-priced buy shares that cannot be paired with both at-priced and better-priced sell shares at the Imbalance Reference Price. The “Side of the Unpaired Quantity” means the side of the Unpaired Quantity with the greater quantity of shares that are eligible to trade at the Imbalance Reference Price.

- (i) For the Core Open and Trading Halt Auctions, Paired Quantity includes all orders eligible to trade in an Auction.
- (ii) For the Closing Auction, Paired and Unpaired Quantity includes MOC, LOC, and Closing IO Orders, and beginning [five]ten minutes before the scheduled end of Core Trading Hours, Closing D Orders.

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(b) *Auction Ranking.* Orders are ranked for purposes of how they are included in Auction Imbalance Information or for an Auction allocation as follows:

- (1) *Price.* Orders are ranked based on the price at which they would participate in an Auction. The ranking price will be:
 - (A) for Limit Orders, the limit price;
 - (B) for Opening D Orders, the undisplayed discretionary price;
 - (C) for Closing D Orders:
 - (i) up to [five]ten minutes before the end of Core Trading Hours, the limit price; and
 - (ii) beginning [five]ten minutes before the end of Core Trading Hours, the undisplayed discretionary price;
 - (D) for DMM Interest, the Imbalance Reference Price (if included in Auction Imbalance Information) or Auction Price (for Auction allocation); and
- (2) *Time.* The working time for an order participating in an Auction is its entry time, provided that the working time for a Closing D Order is the later of its entry time or [five]ten minutes before the end of Core Trading Hours. If a short sale order is repriced to a Permitted Price during a Short Sale Period pursuant to Rule 7.16(f), the time of such repricing will be considered the working time for such an order participating in an Auction.

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Rule 7.35B. DMM-Facilitated Closing Auctions

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(d) *Closing Imbalance.* A Closing Imbalance publication will include the Imbalance and the Side of the Imbalance. The Imbalance Reference Price for a Closing Imbalance [is the Exchange Last Sale Price] will be the BB if the Exchange Last Sale Price is lower than the BB; the BO if the Exchange Last Sale Price is higher than the BO; or the Exchange Last Sale Price if it is at or between the BBO or if the security was halted or not opened by the Closing Auction Imbalance Freeze Time. The Exchange will not disseminate a Closing Imbalance if there is no Exchange Last Sale Price. A Closing Imbalance is disseminated to the securities information processor and a [Regulatory] Significant Closing Imbalance is also disseminated to proprietary data feeds.

(1) *Publication of [Regulatory] Significant Closing Imbalance.* At the Closing Auction Imbalance Freeze Time, [if the Closing Imbalance is 500 round lots or more,]the Exchange will disseminate a [Regulatory] Significant Closing Imbalance regardless of whether the security has opened or is halted or paused at that time if the Closing Imbalance is considered "Significant." Unless determined otherwise by the Exchange and announced by Trader Update, a Closing Imbalance is considered Significant if:

(A) the Closing Imbalance is equal to or greater than 30 percent of the 20-day average closing size ("Average Closing Size") for NYSE-listed securities in the S&P 500[®] Index; 50 percent of the 20-day Average Closing Size for securities in the S&P 400[®] Index and the S&P 600[®] Index; or 70 percent of the 20-day Average Closing Size for all other securities, and

(B) the notional value of the Closing Imbalance, calculated as the product of the imbalance quantity and the reference price, is equal to or greater than \$200,000 for S&P and all other securities.

(C) Average Closing Size will be calculated for each symbol based on the most recent 20 trading days where the security closed on a last sale eligible trade. For securities with less than the specified trading data, including but not limited to IPOs, direct listings, and transfers, the Closing Imbalance will be considered Significant if the notional value of the Closing Imbalance, calculated as the product of the imbalance quantity and the reference price, is equal to or greater than \$200,000 for S&P and all other securities or an alternative specified dollar amount as determined by the Exchange and announced by Trader Update. Only trading days with an NYSE close will be considered for purposes of the Significant Closing Imbalance calculation.

(D) A Significant Closing Imbalance is a one-time publication that should not be updated.

[(A) If, at the Closing Auction Imbalance Freeze Time, the Closing Imbalance is less than 500 round lots, but is otherwise significant in relation to the average daily

trading volume in the security, a DMM may disseminate a Regulatory Closing Imbalance only with prior Trading Official approval.

- (B) A Regulatory Closing Imbalance is a one-time publication that should not be updated.
- (C) A Regulatory Closing Imbalance will be disseminated at the Closing Auction Imbalance Freeze Time regardless of whether the security has not opened or is halted or paused at that time.]

(2) *Publication of Manual Closing Imbalance.* Beginning one hour before the scheduled end of Core Trading Hours up to the Closing Auction Imbalance Freeze Time, a DMM may disseminate a Manual Closing Imbalance only with prior Trading Official approval. Only a DMM can update a Manual Closing Imbalance publication.

(A) If a DMM disseminates a Manual Closing Imbalance, such publication must be updated at the Closing Auction Imbalance Freeze Time with either:

(i) a [Regulatory]Significant Closing Imbalance, if the conditions specified in paragraph (d)(1) of this Rule are met; or

(ii) a “No Imbalance” publication if the conditions specified in paragraph (d)(1) of this Rule are no longer met.

(e) *Auction Imbalance Information.*

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(2) *Content.* For the Closing Auction, the Exchange disseminates Total Imbalance, Side of Total Imbalance, Paired Quantity, Unpaired Quantity, Side of Unpaired Quantity, Continuous Book Clearing Price, Closing Interest Only Clearing Price, and [Regulatory]Significant Closing Imbalance.

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(f) *Auction Imbalance Freeze.* The Auction Imbalance Freeze for the Closing Auction will begin at the Closing Auction Imbalance Freeze Time. Order entry and cancellation will be processed during the Closing Auction Imbalance Freeze as follows:

(1) Entry of MOC and LOC Orders:

(A) If a [Regulatory]Significant Closing Imbalance has not been published, the Exchange will reject all MOC and LOC Orders.

(B) If a [Regulatory]Significant Closing Imbalance has been published, the Exchange will accept MOC and LOC Orders opposite to the Side of the [Regulatory]Significant Closing Imbalance and will reject MOC and LOC Orders on the Side of the Imbalance.

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