

Additions: Underlined
 Deletions: [Bracketed]

NYSE American Rules

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Rule 928NYP. Pre-Trade and Activity-Based Risk Controls

(a) The following are definitions for purposes of this Rule:

- (1) “Entering Firm” means an ATP Holder (including those acting as Market Makers).
- (2) “Pre-Trade Risk Controls” refer to the following optional limits, each of which an Entering Firm may utilize with respect to its trading activity on the Exchange (excluding interest represented in open outcry, except CTB Orders).

(A) “Single-Order Risk Controls” refer to the following:

- (i) controls related to the maximum dollar amount for a single order to be applied one time (“Single Order Maximum Notional Value Risk Limit”) and the maximum number of contracts that may be included in a single order before it can be traded (“Single Order Maximum Quantity Risk Limit”). Orders designated GTC will be subject to these checks only once.
- (ii) controls related to the price of an order or quote (including percentage-based and dollar-based controls);
- (iii) controls related to the order types or modifiers that can be utilized;
- (iv) controls to restrict the options classes transacted;
- (v) controls to prohibit duplicative orders; and
- (vi) controls to restrict the overall rate of orders.

(B) “Gross Credit Risk Limits” refer to the following pre-established maximum daily dollar amounts for purchases and sales across all symbols (excluding Market Maker interest), where both buy and sell orders are counted as positive values. An Entering Firm will receive notifications if it is approaching or has breached its limit.

- (i) “Gross Credit Risk Limit - Open + Executed,” which includes unexecuted orders in the Consolidated Book, orders routed on arrival pursuant to Rule 964NYP(k), and executed orders; and
- (ii) “Gross Credit Risk Limit - Open Only,” which includes unexecuted orders in the Consolidated Book and orders routed on arrival pursuant to Rule 964NYP(k), and

(iii) “Gross Credit Risk Limit - Executed Only,” which includes executed orders only.

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(b) *Setting and Adjusting Pre-Trade, Activity-Based, and Global Risk Controls.*

- (1) Pre-Trade, Activity-Based and Global Risk Controls may be set before the beginning of a trading day and may be adjusted during the trading day.
- (2) Pre-Trade, Activity-Based and Global Risk Controls can be set at the MPID level or at one or more sub-IDs associated with that MPID, or both. If a Pre-Trade Risk Control set at the MPID level is breached, the Automated Breach Action specified at the MPID level will be applied to all sub-IDs associated with that MPID. Additionally, Pre-Trade Risk Controls to restrict the options class(es) transacted must be set per option class.

(c) *Automated Breach Actions.* The Exchange will automatically take the following actions.

(1) *Pre-Trade Risk Controls.*

(A) *Breach Action for [Pre-Trade]Single-Order Risk Controls.*

- (i) A Limit Order or quote that breaches any Single-Order Risk Control will be rejected.
- (ii) A Market Order that arrives during a pre-open state will be cancelled if the quantity remaining to trade after an Auction breaches the Single Order Maximum Notional Value Risk Limit. At all other times, a Market Order that triggers or breaches any Single-Order Risk Control will be rejected.
- (iii) A Limit Order or quote that would breach a price control under paragraph (a)(2)(A)(ii) above will be rejected or cancelled as specified in Rule 900.3NYP(a)(3)(A) (Limit Order Price Protection).

(B) *Breach Action for Gross Credit Risk Limits.* When designating Gross Credit Risk Limits, the Entering Firm must indicate which of the following actions it wishes the Exchange to take if a Gross Credit Risk Limit is breached and, once breached, such action will be applied to its orders in the affected class of options.

- (i) Notification Only: The Exchange will continue to accept new order messages and related instructions and will not cancel any unexecuted orders in the Consolidated Book.
- (ii) Block Only: The Exchange will reject new order messages and related instructions, provided that the Exchange will continue to process instructions from the Entering Firm to cancel one or more orders (including Auction-Only Orders) in full or any of the instructions specified in paragraph (e) of this Rule.
- (iii) Cancel and Block: In addition to the restrictions defined above for “Block Only,” the Exchange will cancel all unexecuted orders in the Consolidated Book other than Auction-Only Orders and orders designated GTC.

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(d) *Reinstatement of Entering Firm After Automated Breach Action.* If either a “Block Only” or “Cancel and Block” Automated Breach Action has been triggered, the Exchange will not reinstate the Entering Firm’s ability to enter orders and quotes and related instructions on the Exchange (other than instructions to cancel one or more orders or quotes (including Auction-Only Orders and orders designated GTC) in full) without the consent of the Entering Firm, which may be provided via automated contact if it was a breach of a Gross Credit Risk Limit or an Activity-Based Risk Control. An Entering Firm that breaches the Global Risk Control will not be reinstated unless the Entering Firm provides consent via nonautomated contact with the Exchange.

(e) *Kill Switch Actions.* An Entering Firm can direct the Exchange to take one or more of the following actions with respect to orders and quotes (excluding those represented in open outcry, except CTB Orders) at either an MPID or sub-ID level:

- (1) Cancel all Auction-Only Orders;
- (2) Cancel all orders designated GTC;
- (3) Cancel all unexecuted orders and quotes in the Consolidated Book other than Auction-Only Orders and orders designated GTC; or
- (4) Block the entry of any new order and quote messages and related instructions, provided that the Exchange will continue to accept instructions from the Entering Firm to cancel one or more orders or quotes (including Auction-Only Orders and orders designated GTC) in full, and later, reverse that block.

Commentary :

.01 The Pre-Trade, Activity-Based, and Global Risk Controls described in this Rule are meant to supplement, and not replace, the ATP Holder’s own internal systems, monitoring, and procedures related to risk management and are not designed for compliance with Rule 15c3-5 under the Exchange Act. Responsibility for compliance with all Exchange and SEC rules remains with the ATP Holder.

.02 An Entering Firm may set price controls under paragraph (a)(2)(A)(ii) above, that are equal to or more restrictive than levels set out in Rule 900.3NYP(a)(3)(A) regarding Limit Order Price Protection.

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