

Additions underlined  
Deletions [bracketed]

**Rules of NYSE Arca Equities, Inc**

**RULE 1 DEFINITIONS**

**Rule 1.1. Definitions**

Whenever and wherever used herein, unless the context requires otherwise, the following terms shall be deemed to have the meanings indicated:

**NYSE Arca Book**

(a) The term "NYSE Arca Book" shall refer to the NYSE Arca Marketplace's electronic file of orders, which contains all the User's orders in each of the [Directed Order,] Display Order, Working Order and Tracking Order Processes.

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(b) – (aaa) No Change

**[Designated Market Maker]**

(bbb) Reserved [The term "Designated Market Maker" shall mean a registered Market Maker that participates in the Directed Order Process.]

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**Rule 7.31. Orders and Modifiers**

(a) –(b) No Change

(c) Time in Force Modifiers

(1) Day Modifier. Any order to buy or sell designated with a Day Modifier, if not executed, will expire at the end of the day on which it was entered. A Day Modifier cannot be combined with any other Time in Force Modifier.

(2) Open Modifiers

(A) *Good Till Cancelled ("GTC") Modifier*. Any order to buy or sell (or unexecuted portion thereof) designated with a GTC Modifier if not executed, will remain in effect until executed, cancelled by the entering party, or expiration, whichever

comes first. All unexecuted portions of orders designated with a GTC Modifier will be cancelled by the Corporation one year after initial entry.

(B) *Good Till Date ("GTD") Modifier.* Any order to buy or sell (or unexecuted portion thereof) designated with a GTD Modifier will be set to expire following the close of the core session of the pre-determined date specified by the entering party and, if not executed, will remain in effect until executed, cancelled by the entering party, or expiration, whichever comes first. All unexecuted portions of orders designated with a GTD Modifier will be cancelled by the Corporation one year after initial entry.

[(C) *Timed Modifier.* A limit order to buy or sell that is designated with a Timed Modifier will remain in effect until a specified time, after which such order or the portion thereof not executed is to be treated as cancelled. The specified time interval of such order may remain in effect for one or more consecutive trading sessions for that particular day only.]

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#### **Rule 7.34. Trading Sessions**

(a) – (c) No Change.

(d) *Orders Permitted in Each Session.*

(1) During the Opening Session:

(A) Orders eligible for the Display Order Process and for the Working Order Process that have been designated as available for the Opening Session are eligible for entry into and execution on the NYSE Arca Marketplace.

(B) Users may enter market and Auction-Only Limit Orders for inclusion in the Market Order Auction. Market orders and Auction-Only Limit Orders are not eligible for execution during the Opening Session, except during the Market Order Auction.

(C) The Tracking Order Process is not available during the Opening Session. [For the purposes of the Opening Session, market Directed Orders are included in the Market Order Auction.]

(D) NOW Orders are eligible for execution during the Opening Session, provided, however, NOW Orders are not eligible for the Opening Auction or the Market Order Auction.

(E) PNP Orders are eligible for execution during the Opening Session.

(F) Limited Price Orders are eligible for execution during the Opening Session[; provided, however, a Timed Order designated for the Opening Session and designated as good from 1:00 am (Pacific Time) is not eligible for execution during the Opening Auction. Similarly, a Timed Order designated for the Opening Session and designated as good from 6:30 am (Pacific Time) is not eligible for execution during the Market Order Auction].

(G) Notwithstanding that the Market Order Auction occurs during the Opening Session, as set forth in Rule 7.34(a)(1), the following orders not designated for the Opening Session shall participate in the Market Order Auction:

(i) Market orders designated for the Core Trading Session and entered prior to the conclusion of the Market Order Auction; and

(ii) Limited Price Orders designated for the Core Trading Session and entered prior to 6:29 am (Pacific Time).

(2) During the Core Trading Session:

(A) Market Orders, NOW Orders, PNP Orders and orders eligible for the [Directed Order,] Display Order, Working Order and Tracking Order Processes are eligible for entry into and execution on the NYSE Arca Marketplace.

(B) Users may enter Market-on-Close Orders, Limit-on-Close Orders, and Limited Price Orders beginning at 6:30 am (Pacific Time) and concluding at 1:00 pm (Pacific Time) for inclusion in the Closing Auction, except as provided in Rule 7.35(e)(2). Market-on-Close Orders and Limit-on-Close Orders are eligible for execution only during the Closing Auction. Market Orders are not eligible for execution in the Closing Auction.

(C) Market-on-Close Orders and Limit-on-Close Orders that are not executed during the Closing Auction shall be cancelled. [Timed Orders designated as good from 1:00 pm (Pacific Time) shall not be eligible to participate in the Closing Auction.]

(3) During the Late Trading Session:

(A) Orders eligible for the Display Order Process (other than Q Orders) and for the Working Order Process, including NOW Orders and PNP Orders, that have been designated as available for the Late Trading Session are eligible for entry into and execution on the NYSE Arca Marketplace.

(B) Market orders are not eligible for execution during the Late Trading Session.

(C) The Tracking Order Process is not available during the Late Trading Session.

(e) – (g) No Change.

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**Rule 7.35. Auctions**

*(a) Order Entry and Cancellation Before Opening Auction*

- (1) Users may submit any orders to the NYSE Arca Marketplace beginning 30 minutes prior to the Opening Session. Any such Limited Price Orders designated for the Opening Session will be queued until 1:00 am (Pacific Time) at which time they will be eligible to be executed pursuant to paragraph (b) of this Rule. Any such market orders will be queued until the Market Order Auction at which time they will be executed pursuant to paragraph (c) of this Rule.
- (2) Only Limited Priced Orders designated for the Opening Session will be eligible for the Opening Auction. [However, a Limited Price Order designated for the Opening Session and entered as a Timed Order good from 1:00 am (Pacific Time), is not eligible for execution during the Opening Auction.] Market orders entered before the Opening Auction or during the Opening Session will participate in the Market Order Auction. [However, a Limited Price Order designated for the Opening Session and entered as a Timed Order good from 6:30 am (Pacific Time), is not eligible for execution during the Market Order Auction.] Limited Price Orders[, including Timed Orders,] designated for the Core Trading Session and not designated for the Opening Session will become eligible for execution at the commencement of the Market Order Auction pursuant to Rule 7.35(c).
- (3) Beginning 30 minutes prior to the Opening Session, and various times thereafter as determined from time to time by the Corporation, the Indicative Match Price of the Opening Auction, and any Imbalance associated therewith, shall be published via electronic means as determined from time to time by the Corporation.
- (4) Orders that are eligible for the Opening Auction may not be cancelled 1 minute prior to the Opening Session until the conclusion of the Opening Auction.

*(b) Opening Auction.*

- (1) At 1:00 am (Pacific Time), Limited Price Orders designated for the Opening Session are matched and executed in the Opening Auction[; provided, however, a Limited Price Order designated for the Opening Session and entered as a Timed Order good from 1:00 am (Pacific Time), is not eligible for execution during the Opening Auction].
- (2) The orders in the Opening Auction shall be executed at the Indicative Match Price as of the time of the Opening Auction.

(3) Orders that are eligible for, but not executed in, the Opening Auction shall become eligible for the Opening Session immediately upon conclusion of the Opening Auction.

[(4) A Limited Price Order designated for the Opening Session and entered as a Timed Order good from 6:30 am (Pacific Time) is not eligible for execution during the Market Order Auction.]

(c) – (h) No Change.

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## **Rule 7.37. Order Execution**

### **Order Execution**

Like-priced orders, bids and offers shall be matched for execution by following Steps 1 through [5] 4 in this Rule; provided, however, for an execution to occur in any Order Process, the price must be equal to or better than (1) the PBBO, in the case of a Limit Order or a Q Order or (2) the NBBO, in the case of an Inside Limit Order, a Pegged Limit Order or a Market Order. If such an order is not executable within those parameters, it may be routed to away markets as provided in paragraph (d) of this rule (however, a User may submit a Primary Only Order that may be routed to an away market without consideration of the NBBO).

(a) Reserved [*Step 1: Directed Order Process*]. Orders may be matched and executed in the Directed Order Process as follows:

- (1) If a User submits a marketable Directed Order to the NYSE Arca Marketplace and the User's designated Market Maker has a standing instruction for a Directed Fill to the NYSE Arca Marketplace, the Directed Order shall be executed against the Directed Fill of the designated Market Maker, unless there is a Passive Liquidity Order as defined in NYSE Arca Equities Rule 7.31(h) with a price superior to that of the Directed Fill, in which case the Passive Liquidity Order will have price priority and will execute ahead of inferior priced Directed Fills in the Directed Order Process.
- (2) If a User submits a marketable Directed Order to the NYSE Arca Marketplace and the User's Designated Market Maker has not submitted an instruction for a Directed Fill, the Directed Order shall enter the Display Order Process, as described in subsection (b) of this Rule.
- (3) Directed Orders that are matched for execution against Directed Fills may be broken up by orders on the NYSE Arca Book if there is a displayed order on the NYSE Arca Book priced at or better than the matched order. In the event that the matched order is broken up, it will be handled as follows:

(i) If the remaining balance of the matched order results in the Designated Market Maker side of the order being unexecuted, the remaining balance of the order shall be returned to the Directed Process to be eligible as a Directed Fill instruction.

(ii) If the remaining balance of the matched order results in the User being unexecuted, the remaining balance of the order will be posted in the NYSE Arca Book.

(4) If a User submits any order other than a marketable Directed Order to the NYSE Arca Marketplace, the User's order immediately shall enter the Display Order Process, as described in subsection (b) of this Rule, without interacting with any Directed Fills.]

(b) Reserved [If an incoming marketable order has not been executed in its entirety pursuant to paragraph (a) of this Rule, any remaining part of the order shall be routed to the Display Order Process.]

(1) *Step 1[2]: Display Order Process.*

(A) An incoming marketable order shall first attempt to be matched for execution against orders in the Display Order Process at the display price of the resident order for the total amount of stock available at that price or for the size of the incoming order, whichever is smaller. Passive Liquidity Orders as defined in NYSE Arca Equities Rule 7.31(h) with a price superior to that of displayed orders will have price priority and will execute ahead of inferior priced displayed orders in the Display Order Process. For the purposes of this subsection, the size of an incoming Reserve Order includes the displayed and reserve size and the size of the portion of the Reserve Order resident in the Display Order Process is equal to its displayed size. If the incoming marketable order has not been executed in its entirety, the remaining part of the order shall be routed to the Working Order Process.

(B) An incoming order that is not marketable shall enter the Working Order Process to be executed against any Discretionary Orders at or better than the NBBO.

(2) *Step 1[3]2: Working Order Process.*

(A) An incoming marketable order shall be matched for execution against orders in the Working Order Process in the following manner:

(i) An incoming marketable order shall be matched against orders within the Working Order Process in the order of their ranking, at the price of the displayed portion (or in the case of an All-or-None Order, at the limit price or in the case of a Passive Liquidity Order, at its price), for the total amount of

stock available at that price or for the size of the incoming order, whichever is smaller.

- (ii) If the BBO is outside the PBBO and any Discretionary Orders within the Working Order Process have a discretionary price equal to or better than the PBBO, the incoming order shall execute against such Discretionary Order(s) at the PBBO up to the size of the smaller of the two orders.
  - (iii) If an incoming marketable order is a Discretionary Order or a Reserve Order and its prices overlap with the prices of a Discretionary Order(s) in the Working Order Process, then the orders will be executed at the display price of the order that was entered first up to the size of the smaller of the two orders. For the purposes of this subsection, the size of the incoming Reserve Order includes the displayed and reserve size.
  - (iv) Determination of a Passive Discretionary Order's Execution Price.
    - (a) If the BBO is outside the PBBO and a Passive Discretionary Order(s) within the Working Order Process has a discretionary price worse than the PBBO, then the incoming order will execute against such Passive Discretionary Order(s) at the price of the incoming order or the displayed price of the Discretionary Order(s), whichever is better.
    - (b) If the BBO is outside the PBBO and a Passive Discretionary Order(s) within the Working Order Process has a discretionary price equal to or better than the PBBO, then the incoming order will execute against such Passive Discretionary Order(s) pursuant to subsection (2)(A)(ii) above.
  - (v) If the incoming marketable order has not been executed in its entirety, the remaining part of the order shall be routed to the Tracking Order Process.
- (B) An incoming order that is not marketable shall be matched for execution against orders in the Working Order Process in the following manner:
- (i) The incoming order shall be matched against any Discretionary Orders in the Working Order Process that have discretionary prices that would satisfy an otherwise displayable incoming Limited Price Order. The execution shall occur at the limited price of the incoming order.
  - (ii) If the incoming order is a Discretionary Order and its prices overlap with the prices of a Discretionary Order in the Working Order Process, then the orders will be executed at the discretionary price of the incoming order that would be the best price available for the order entered first.
  - (iii) If the incoming order is an ISO, then the order will be executed against Discretionary Orders in the Working Order Process that have discretionary

prices that would satisfy the ISO's limit price without regard to whether the transaction would occur at a price outside the Protected Quotation.

(C) With the exception of Passive Discretionary Orders, if any change in any Protected Quotation or NBBO (as applicable) or other available away trading interest would cause a potential match between the away order and an order in the Working Order Process, an order shall be routed to that market center or market participant pursuant to Step 5 4 below after having proceeded through Step 4 3.

Passive Discretionary Orders will be routed away only if the displayed price is marketable against an away market participant.

(c) *Step 3[4]: Tracking Order Process.* During Core Trading Hours only, orders may be matched and executed in the Tracking Order Process as follows: If an order that is eligible to route to an away market has not been executed in its entirety pursuant to paragraphs (a) and (b) of this Rule, the NYSE Arca Marketplace shall match and execute any remaining part of such order in the Tracking Order Process in price/time priority.

(d) *Step 4[5]: Routing Away.*

(1) If an order has not been executed in its entirety pursuant to paragraphs (a) through (c) of this Rule and it has been designated as a PNP Order (except PNP Cross and Post Orders), IOC, MPL Order, or Intermarket Sweep Order, the order shall be cancelled, without routing the order to another market center or market participant.

(2) If an order has not been executed in its entirety pursuant to paragraphs (a) through (c) of this Rule and it has not been designated as a PNP Order (except PNP Cross and Post Orders), IOC, MPL Order, or Intermarket Sweep Order, the order shall be routed for execution as follows:

(A) if the order is designated as a Market, Inside Limit, or Pegged Order, the Exchange shall utilize all available quotes in the routing determination, or;

(B) if the order designation is as a Limit Order, the Exchange shall utilize available Protected Quotations in the routing determination, or;

(i) any order eligible for routing away shall be routed, either in its entirety or as component orders, to another market center or market participant as an Intermarket Sweep Order:

(a) for OTC securities—equal to the price of the quote published by the market center or market participant.



The remaining portion of the order, if any, shall be ranked and displayed in the NYSE Arca Book in accordance with the terms of such order under Rule 7.36 and such order shall be eligible for execution under Rule 7.37.

(ii) Based upon a User's instruction, a marketable reserve order may be routed (1) serially as component orders, such that each component corresponds to the displayed size, or (2) only once in its entirety, including both the displayed and reserve portions.

(C) The order that is routed away shall remain outside the NYSE Arca Marketplace for a prescribed period of time and may be executed in whole or in part subject to the applicable trading rules of the relevant market center or market participant.

(D) While an order remains outside the NYSE Arca Marketplace, it shall have no time standing, relative to other orders received from Users at the same price which may be executed against the NYSE Arca Book.

(E) Requests from Users to cancel their orders while the order is routed away to another market center or market participant and remains outside the NYSE Arca Marketplace shall be processed, subject to the applicable trading rules of the relevant market center or market participant.

(3) Where an order or portion of an order is routed away and is not executed either in whole or in part at the other market center or market participant (*i.e.*, all attempts at the fill are declined or timed-out), the order shall be ranked and displayed in the NYSE Arca Book in accordance with the terms of such order under Rule 7.36 and such order shall be eligible for execution under Rule 7.37.

(4) For an order that has not been executed in its entirety pursuant to paragraphs (a) through (c) of this Rule, and which is otherwise eligible to route away, Users may instruct NYSE Arca to bypass any market centers that are not posting Protected Quotations within the meaning of Regulation NMS.

(e) – (h) No Change

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**Rule 7.43. Reserved [Use of Directed Order Process**

It shall be considered conduct inconsistent with just and equitable principles of trade for a User to use the Directed Order Process for the purpose of bypassing otherwise applicable fees.]

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