

Additions: Underlined

Deletions: [Bracketed]

### Rules of NYSE Arca, Inc.

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#### Rule 6-O OPTIONS TRADING

*Rules with a “P” modifier are operative for symbols that are trading on the Pillar trading platform. If a symbol is trading on the Pillar trading platform, a rule with the same number as a rule with a “P” modifier will no longer be operative for that symbol. The Exchange will announce by Trader Update when symbols are trading on the Pillar trading platform.*

#### Rules Principally Applicable to Trading of Option Contracts

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#### Rule 6.40P-O. Pre-Trade and Activity-Based Risk Controls

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

- (1) “Entering Firm” means an OTP Holder or OTP Firm (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”) [means a pre-established maximum dollar amount for a single order or quote to be applied one time]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 [this]these checks only once.

[(B) “Single Order Maximum Quantity Risk Limit” means a pre-established maximum number of contracts that may be included in a single order or quote before it can be traded. Orders designated GTC will be subject to this check 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; and

(v) controls to prohibit duplicative orders.

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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. 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 Risk Controls.*

(i) A Limit Order or quote that breaches [the designated limit of either a Single Order Maximum Notional Value Risk Limit or Single Order Maximum Quantity Risk Limit]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.[A Market Order that breaches the designated limit of a Single Order Maximum Quantity Risk Limit will be rejected. A Market Order that breaches the designated limit of a Single Order Notional Value Risk Limit will be rejected if the order arrived during continuous trading or canceled if the order was received during a pre-open state and the quantity remaining to trade after an Auction concludes breaches the designated limit].

(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 6.62P-O (a)(3)(A) (Limit Order Price Protection).

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**Commentary:**

**.01** The Pre-Trade, Activity-Based, and Global Risk Controls described in this Rule are meant to supplement, and not replace, the OTP Holder's or OTP Firm'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 OTP Holder or OTP Firm.

.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 6.62P-O (a)(3)(A) regarding Limit Order Price Protection.

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