

Additions: Underlined  
 Deletions: [Bracketed]

## Rules of NYSE National, Inc.

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### RULE 7 EQUITIES TRADING

#### Section 1. General Provisions

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#### Rule 7.19. Pre-Trade Risk Controls

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

(1) “Entering Firm” means an ETP Holder that either has a correspondent relationship with a Clearing Firm whereby it executes trades and the clearing function is the responsibility of the Clearing Firm or clears for its own account.

(2) “Clearing Firm” means an ETP Holder that acts as principal for clearing and settling a trade, whether for its own account or for an Entering Firm.

[(3) “Single Order Maximum Notional Value Risk Limit” means a preestablished maximum dollar amount for a single order before it can be traded.]

[(4) “Single Order Maximum Quantity Risk Limit” means a pre-established maximum number of shares that may be included in a single order before it can be traded.]

(3) “Pre-Trade Risk Controls” mean the optional limits set forth in paragraph (b) below.

(b) Pre-Trade Risk Controls available to Entering Firms

[(5)1] “Gross Credit Risk Limit,” which means a pre-established maximum daily dollar amount for purchases and sales across all symbols, where both buy and sell orders are counted as positive values. For purposes of calculating the Gross Credit Risk Limit, unexecuted orders in the Exchange Book, orders routed on arrival pursuant to Rule 7.37 (a)(1), and executed orders are included[.]; and

(2) “Single Order Risk Controls,” which include:

(A) controls related to the size of an order (including restrictions on the maximum dollar amount per order (“Single Order Maximum Notional Value Risk Limit”) and maximum shares per order (“Single Order Maximum Quantity Risk Limit”));

(B) controls related to the price of an order (including percentage-based and dollar-based controls);

(C) controls related to the order types or modifiers that can be utilized;

(D) controls to restrict the types of securities transacted (including but not limited to restricted securities);

(E) controls to prohibit duplicative orders; and

(F) controls related to the size of an order as compared to the average daily volume of the security (including the ability to specify the minimum average daily volume for the securities for which such controls will be activated).

*[(b) Pre-Trade Risk Controls*

*(1) Pre-Trade Risk Controls Set by Entering Firm. An Entering Firm may select one or more of the following optional pre-trade risk controls with respect to its trading activity on the Exchange: (i) Gross Credit Risk Limits; (ii) Single Order Maximum Notional Value Risk Limits and (iii) Single Order Maximum Quantity Risk Limits (collectively the “Pre-Trade Risk Controls”).]*

*[(2)c] [Clearing Firms Designated to View and Set] Pre-Trade Risk Controls[.] Available to Clearing Firms*

*[(A)1] An Entering Firm that does not self-clear may designate its Clearing Firm to take either or both of the following actions:*

*[(i)A] view any Pre-Trade Risk Controls set by the Entering Firm, or*

*[(ii)B] set one or more of the Gross Credit Risk Limit, Single Order Maximum Notional Value Risk Limit, or Single Order Maximum Quantity Risk Limit Pre-Trade Risk Controls on the Entering Firm’s behalf[, or both].*

*[(B)2] An Entering Firm will be able to view any Pre-Trade Risk Controls that its Clearing Firm sets with respect to the Entering Firm’s trading activity on the Exchange.*

([C]3) By designating a Clearing Firm to set Pre-Trade Risk Controls for an Entering Firm, the Entering Firm consents to the Exchange taking action with respect to the Entering Firm's trading activity as provided for in paragraphs ([c]f) and ([d]g) of this Rule.

([3]d) *Setting and Adjusting Pre-Trade Risk Controls.*

([A]1) Pre-Trade Risk Controls may be set before the beginning of a trading day, and may be adjusted during the trading day.

([B]2) Pre-Trade 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 related to the short selling of securities, transacting in restricted securities, and the size of an order compared to the average daily volume of a security must be set per symbol.

([4]e) *Notifications.* With respect to Gross Credit Risk Limits, the Entering Firm, and if designated, the Clearing Firm, will receive notifications when the Entering Firm is approaching or has breached a Gross Credit Risk Limit set by itself or by the Clearing Firm.

([c]f) *Automated Breach Actions.* If a Pre-Trade Risk Control is breached, the Exchange will automatically take the following actions.

(1) If both an Entering Firm and its Clearing Firm use the same Pre-Trade Risk Control for the Entering Firm and set different limits, the Exchange will enforce the more restrictive limit.

(2) *Breach Action for Single Order Risk Controls.* [Limits. If an order would breach the designated limit of either a Single Order Maximum Notional Value Risk Limit or Single Order Maximum Quantity Risk Limit, such order will be rejected.]

(A) If an order would breach a price control under paragraph (b)(2)(B) above, it will be rejected or canceled as specified in Rule 7.31(a)(2)(B) (Limit Order Price Protection).

(B) If an order would breach the designated limit of any other Single Order Risk Control, it will be rejected.

(3) *Breach Action for Gross Credit Risk Limits.*

(A) In setting designated Gross Credit Risk Limits, the Entering Firm or Clearing Firm setting the limit will be required to indicate which of the following actions it wishes the Exchange to take if a Gross Credit Risk Limit is breached:

(i) Notification Only: The Exchange will continue to accept new orders and order instructions and will not cancel any unexecuted orders in the Exchange Book.

(ii) Block Only: The Exchange will reject new orders and order instructions, provided that the Exchange will continue to accept 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]h) 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 Exchange Book other than Auction-Only Orders.

(B) If a Gross Credit Risk Limit is breached, the Exchange will enforce the action that was chosen by the party that set the limit that was breached.

(C) If both the Entering Firm and Clearing Firm set the same limit, upon breach of that limit, the Exchange will enforce the most restrictive action selected by any of the parties in setting that limit. For purposes of this paragraph, “Cancel and Block” is more restrictive than “Block Only,” which is more restrictive than “Notification Only.”

(4) 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.

([d]g) *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 order instructions on the Exchange (other than instructions to cancel one or more orders (including Auction-Only Orders) in full) without the consent of (1) the Entering Firm, and (2) the Clearing Firm, if the Entering Firm has designated that the Clearing Firm’s consent is required.

([e]h) *Kill Switch Actions.* An Entering Firm, or if authorized pursuant to paragraph [(b)(2)(A)](c) of this Rule, its Clearing Firm, can direct the Exchange to take one or more of the following actions with respect to orders at either an MPID or sub-ID level:

(1) Cancel all Auction-Only Orders;

(2) Cancel all unexecuted orders in the Exchange Book other than Auction-Only Orders; or

(3) Block the entry of any new orders and order instructions, provided that the Exchange will continue to accept instructions from the Entering Firm to cancel one or more orders (including Auction-Only Orders) in full, and later, reverse that block.

**Commentary:**

.01 The Pre-Trade Risk Controls described in this Rule are meant to supplement, and not replace, the ETP 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 ETP Holder.

.02 An Entering Firm may set price controls under paragraph (b)(2)(B) above that are equal to or more restrictive than levels set out in Rule 7.31(a)(2)(B) regarding Limit Order Price Protection. An Entering Firm may set price controls under paragraph (b)(2)(B) that are less restrictive than levels set out in Rule 7.31(a)(2)(B) only (i) outside of Core Trading Hours or (ii) with respect to LOC Orders.