Additions underscored. Deletions are [bracketed].

Rules of the NYSE Arca, Inc.

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Pillar Platform Rules (1P - 13P)

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Rule 7P EQUITIES TRADING

Section I. General Provisions

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Rule 7.16-E. Short Sales

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(f) Short Sale Price Test Pursuant to Rule 201 of Regulation SHO. The following provisions will apply to short sales subject to the provisions of Rule 201 of Regulation SHO:

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(5) Re-pricing of Orders during Short Sale Period. During the Short Sale Period, short sale orders will be handled by Exchange systems as follows:

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(B) Priority 1 and Priority 3 Orders — Market Orders and orders and reserve interest ranked Priority 3- Non-Display Orders will have a working price adjusted to a Permitted Price and will continuously adjust to a Permitted Price as the NBB moves both up and down. Reserve interest that replenishes the displayed quantity of a Reserve Order will be replenished at a Permitted Price.

(C) Pegged Orders, [and] MPL Orders, and RPI Orders with an Offset — Pegged Orders, [and] MPL Orders, and Retail Price Improvement Orders with an offset including orders marked buy, sell long and sell short exempt, will use the NBBO instead of the PBBO as the reference price. The working price of MPL Orders will be the mid-point
of the NBBO, including situations where the mid-point is less than one minimum price increment above the NBB.

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Section 3. NYSE Arca Marketplace

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7.44- E. Retail Liquidity Program

(a) Definitions.

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(4) Retail Price Improvement Order. A “Retail Price Improvement Order” or “RPI” consists of non-displayed interest [in NYSE Arca-listed securities and UTP Securities, excluding NYSE-listed (Tape A) securities,] that would trade at prices better than the PBB or PBO by at least $0.001 and that is identified as such.

(A) An RPI remains non-displayed in its entirety, is ranked Priority 3 - Non-Display Orders.

(B) Exchange systems will monitor whether RPI buy or sell interest is eligible to trade with incoming Retail Orders. An RPI to buy (sell) with a limit price at or below (above) the PBB (PBO) or at or above (below) the PBO (PBB) will not be eligible to trade with incoming Retail Orders to sell (buy), and such an RPI will cancel if a Retail Order to sell (buy) trades with all displayed liquidity at the PBB (PBO) and then attempts to trade with the RPI. If not cancelled, an RPI to buy (sell) with a limit price that is no longer at or below (above) the PBB (PBO) or at or above (below) the PBO (PBB) will again be eligible to trade with incoming Retail Orders.

(C) An RPI may include an optional offset, which may be specified up to three decimals. The working price of an RPI to buy (sell) with an offset is the lower (higher) of the PBB (PBO) plus (minus) the offset or the limit price of the RPI. An RPI with an offset will not be eligible to trade if the working price is below $1.00. If an RPI to buy (sell) with an offset would have a working price that is more than three decimals, the working price will be truncated to three decimals.
[(C)][(D)]  For securities to which it is assigned, an RLP may only enter an RPI in its RLP capacity. An RLP is permitted, but not required, to submit RPIs for securities to which it is not assigned, and will be treated as a non-RLP ETP Holder for those particular securities. Additionally, ETP Holders other than RLPs are permitted, but not required, to submit RPIs.

[(D)][(E)]  An RPI may be an odd lot, round lot, or mixed lot[. An RPI must be designated as either a Limit Non-Displayed Order or MPL Order[,] and[ an order so designated] will interact with incoming Retail Orders only[ and will not interact with either a Type 2- Retail Order Day or Type 2- Retail Order Market that is resting on the NYSE Arca Book].

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(k)  Retail Order Designation. A Retail Order may not be designated with a "No Midpoint Execution" Modifier or with a minimum trade size. [An RMO can designate how a Retail Order will trade with available contra-side interest as follows:

(1)  Type 1. A Type 1- Retail Order to buy (sell) is a Limit IOC Order that will trade only with available Retail Price Improvement Orders to sell (buy) and all other orders to sell (buy) with a working price below (above) the PBO (PBB) on the NYSE Arca Book and will not route. The quantity of a [Type 1- Retail Order to buy (sell)] that does not trade with eligible orders to sell (buy) will be immediately and automatically cancelled. A [Type-1 designated] Retail Order will be rejected on arrival if the PBBO is locked or crossed.

[(2)  Type 2. A Type 2- Retail Order may be a Limit Order designated IOC or Day or a Market Order, and will function as follows:

(A)  A Type 2- Retail Order IOC to buy (sell) is a Limit IOC Order that will trade first with available Retail Price Improvement Orders to sell (buy) and all other orders to sell (buy) with a working price below (above) the PBO (PBB) on the NYSE Arca Book. Any remaining quantity of the Retail Order will trade with orders to sell (buy) on the NYSE Arca Book at prices equal to or above (below) the PBO (PBB) and will be traded as a Limit IOC Order and will not route.

(B)  A Type 2- Retail Order Day to buy (sell) is a Limit Order that will trade first with available Retail Price Improvement Orders to sell (buy) and all other orders to sell (buy) with a working price below (above) the PBO (PBB) on the NYSE Arca Book. Any remaining quantity of the Retail Order, if marketable, will trade with orders to sell (buy) on the NYSE Arca Book or route, and if non-marketable, will be ranked in the NYSE Arca Book as a Limit Order.

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(C) A Type 2- Retail Order Market to buy (sell) is a Market Order that will trade first with available Retail Price Improvement Orders to sell (buy) and all other orders to sell (buy) with a working price below (above) the NBO (NBB). Any remaining quantity of the Retail Order will function as a Market Order.

(l) Priority and Order Allocation.

Retail Price Improvement Orders in the same security will be ranked together with all other interest ranked as Priority 3 - Non-Display Orders. Odd-lot orders ranked as Priority 2 - Display Orders will have priority over orders ranked Priority 3 - Non-Display Orders at each price. Any remaining unexecuted RPI interest will remain available to trade with other incoming Retail Orders. Any remaining unfilled quantity of the Retail Order will cancel[, execute, or post to the NYSE Arca Book] in accordance with Rule 7.44-E(k).

Examples of priority and order allocation are as follows:

PBBO for security ABC is $10.00 - $10.05

RLP 1 enters a Retail Price Improvement Order to buy ABC at $10.01 for 500

RLP 2 then enters a Retail Price Improvement Order to buy ABC at $10.02 for 500

RLP 3 then enters a Retail Price Improvement Order to buy ABC at $10.03 for 500

An incoming [Type 1-] Retail Order to sell ABC for 1,000 would trade first with RLP 3's bid for 500 at $10.03, because it is the best-priced bid, then with RLP 2's bid for 500 at $10.02, because it is the next best-priced bid. RLP 1 would not be filled because the entire size of the Retail Order to sell 1,000 would be depleted. The Retail Order trades with RPI Orders in price/time priority.

However, assume the same facts above, except that RLP 2's Retail Price Improvement Order to buy ABC at $10.02 was for 100. The incoming Retail Order to sell 1,000 would trade first with RLP 3's bid for 500 at $10.03, because it is the best-priced bid, then with RLP 2's bid for 100 at $10.02, because it is the next best-priced bid. RLP 1 would then receive an execution for 400 of its bid for 500 at $10.01, at which point the entire size of the Retail Order to sell 1,000 would be depleted.

Assume the same facts as above, except that RLP 3's order was not an RPI Order to buy ABC at $10.03, but rather, a non-displayed order to buy ABC at $10.03. The result will be similar to the result immediately above, in that the incoming Retail Order to sell 1,000 trades first with RLP 3's non-displayed bid for 500 at $10.03, because it is the best-priced bid, then with RLP 2's bid for 100 at $10.02, because it is the next best-priced bid. RLP 1 then receives an execution for 400 of its bid for 500 at $10.01, at which point the entire size of the Retail Order to sell 1,000 is depleted.
As a final example, assume the original facts, except that LMT 1 enters a displayed odd lot limit order to buy ABC at $10.02 for 60. The incoming Retail Order to sell for 1,000 trades first with RLP 3’s bid for 500 at $10.03, because it is the best-priced bid, then with LMT 1’s bid for 60 at $10.02 because it is the next best-priced bid and is ranked Priority 2 - Display Orders and has priority over same-priced RPIs. The incoming Retail Order would then trade 440 shares with RLP 2’s bid for 500 at $10.02 because it is the next priority category at that price, at which point the entire size of the Retail Order to sell 1,000 is depleted. The balance of RLP 2's bid would remain on the NYSE Arca Book and be eligible to trade with the next incoming Retail Order to sell.

To demonstrate how the different types of Retail Orders would trade with available Exchange interest, assume the following facts:

PBBO for security DEF is $19.99 - $20.01 (100 x 100)

LMT 1 enters a Limit Order to buy DEF at $20.00 for 100

RLP 1 then enters a Retail Price Improvement Order to buy DEF at $20.003 for 100

MPL 1 then enters a Midpoint Passive Liquidity Order to buy DEF at $21.00 for 100

[An incoming Type 2-Retail Order IOC to sell DEF for 300 at $20.00 would trade first with MPL 1’s bid for 100 at $20.005, because it is the best-priced bid, then with RLP 1’s bid for 100 at $20.003, because it is the next best-priced bid, and then with LMT 1’s bid for 100 at $20.00 because it is the next best-priced bid, at which point the entire size of the Retail Order to sell 300 is depleted.

Assume the same facts as above except the incoming order is a Type 2-Retail Order Day to sell DEF for 500 at $20.00. The Retail Order would trade first with MPL 1's bid for 100 at $20.005, because it is the best-priced bid, then with RLP 1's bid for 100 at $20.003, because it is the next best-priced bid, and then with LMT 1’s bid for 100 at $20.00 because it is the next best-priced bid. The remaining balance of the Retail Order is displayed on the NYSE Arca Book at $20.00 as a Limit Order, resulting in a PBBO of $19.99 - $20.00 (100 x 200).]

[Assume the same facts as above except the incoming order is a Type 1- ]A Retail Order to sell DEF for 300 is entered. The Retail Order would trade first with MPL 1's bid for 100 at $20.005, because it is the best-priced bid, and then with RLP 1's bid for 100 at $20.003. The remaining balance of the Retail Order would be cancelled and not trade with LMT 1 because [Type 1-designated ]Retail Orders do not trade with interest on the NYSE Arca Book other than non-displayed orders and odd-lot orders priced better than the PBBO on the opposite side of the Retail Order.

Finally, to demonstrate the priority of displayed interest over Retail Price Improvement Orders, assume the following facts:
PBBO for security GHI is $30.00 - $30.05

RLP 1 enters a Retail Price Improvement Order to buy GHI at $30.02 for 100

LMT 1 then enters a Limit Order to buy GHI at $30.02 for 100

New PBBO of $30.02 - $30.05

RLP 2 then enters a Retail Price Improvement Order at $30.03 for 100

An incoming [Type 2-]Retail Order [IOC] to sell GHI for 300 at $30.01 would trade first with RLP 2's bid for 100 at $30.03, because it is the best-priced bid, then with LMT 1 for 100 at $30.02 because it is the next best-priced bid. The Retail Order would then attempt to trade with RLP 1, but because RLP 1 was priced at the PBBO and no longer price improving, RLP 1 will cancel. At that point, the remaining balance of the Retail Order will cancel because there are no remaining orders within its limit price.

Assume the same facts as above except the incoming Retail Order is for 200. The Retail Order would trade with RLP 2's bid for 100 at $30.03, because it is the best-priced bid, then with LMT 1 for 100 at $30.02 because it is the next best-priced bid. RLP 1 does not cancel because the incoming Retail Order was depleted before attempting to trade with RLP 1. RLP 1 would be eligible to trade with another incoming Retail Order because it would be priced better than the PBBO.

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