

Amendments Underscored  
Deletions [Bracketed]

## Rules of NYSE MKT LLC

\*\*\*\*\*

### **Rule 103 – Equities. Registration and Capital Requirements of DMMs and DMM Units**

(a) – (f) No change.

**\*\*\* *Supplementary Material:***

**.10 – .11** No change.

#### **DMM Capital Requirements**

##### **.20 Minimum Capital Requirements**

(a)(i) Each DMM unit must maintain tentative net capital in an amount which shall be the greater of (i) \$1,000,000 or (ii) an amount sufficient to assume a position of sixty trading units of each security in which such DMM is registered[, except for those DMM units that are registered in Structured Products, as set forth in paragraph (a)(ii) of this Rule]. For purposes of this Rule, the amount sufficient to assume a position in sixty trading units shall be equal to 15% of the current market value of the position.

[(ii) A DMM unit that is registered in Structured Products shall maintain the greater of \$500,000 for each Structured Product or \$1,000,000.]

(ii[i]) FINRA must be informed immediately by a DMM unit whenever it is unable to comply with the requirements set forth in this Rule, as applicable.

(iii[v]) The term “tentative net capital” means net capital, computed in accordance with Securities Exchange Act Rule 15c3-1 before application of haircuts and undue concentration charges.

(iv) In the event that two or more DMM units are associated with each other and deal for the same DMM account, the capital requirements enumerated in this Rule shall apply to such DMM units as one unit, rather than to each DMM unit individually. Any joint account must be approved by the Divisions of Market Surveillance and Member Firm Regulation.

(v[i]) For each security in which a DMM is registered which is principally traded or priced in a U.S. marketplace other than the Exchange, such DMM shall maintain tentative net capital sufficient to assume a position of twenty trading units of such security.

(vi[i]) Every DMM who enters into a financing arrangement with any creditor either for the purpose of meeting the requirements imposed by this rule or for the purpose of financing any DMM transactions, including arrangements made pursuant to Equities Rule 462, shall inform the Exchange of the name of the creditor and the terms of the arrangement. Each DMM and each member organization which is a party to any such financing arrangement shall notify the Exchange of any amendment, cancellation or expiration of such arrangement at least 72 hours in advance (or such shorter period as is reasonable in the circumstances if the financial condition of the member organization would otherwise be substantially impaired). In addition to such notice and the notifications and reports otherwise required by the Exchange, the Exchange must be informed immediately by telephone (and thereafter by confirmation in writing) of the intention to issue a margin call.

(vii[i]) DMMs must be able to meet the requirements of this Rule without taking into consideration the capital required to carry or finance investment accounts.

(viii[x]) Each DMM or DMM unit subject to this Rule shall promptly notify the Exchange in writing if the tentative net capital of such DMM or DMM unit, after deduction of all capital withdrawals including maturities, if any, scheduled during the next six months, falls below 125% of the minimum dollar amount required hereby (the “early warning level”).

(ix) In the event the tentative net capital of any DMM or DMM unit subject to this Rule falls below the early warning level, such DMM or DMM unit shall attempt to reach a written agreement with the Exchange on a plan for raising the DMM’s or DMM unit’s capital to an appropriate level or taking other appropriate action. In the event of the failure to reach such agreement within five business days following the initial response or involvement of the Exchange, the Exchange may take such action as it shall decide is appropriate.

(b) No change.

.21 No change.

\*\*\*\*\*

### **Rule 500 – Equities. Applicability**

(a) The Rules of this series (Rules 500 through 525 – Equities) shall apply to all transactions involving a UTP Security, as that term is defined in Rule 501(d) – Equities, that is granted unlisted trading privileges on the Exchange [Nasdaq Securities conducted on the Exchange,] including the handling of orders, the conduct of accounts, and other matters relating to the trading of [Nasdaq] UTP Securities on the Exchange. Except to the

extent that the provisions of Rules 500-525 – Equities specifically conflict, all other Equities rules shall apply to transactions involving [Nasdaq] UTP Securities conducted on the Exchange. If any provisions of Rules 500-525 – Equities conflict with any other Equities rule, the Rule 500 series shall govern. Rule 475, 476, 476A, and 477 shall also apply to all transactions involving [Nasdaq] UTP Securities conducted on the Exchange.

(b) No change.

### **Rule 501 – Equities. Definitions**

For purposes of Rule 500-525 – Equities, the following terms shall have the meanings specified below. All other terms shall have the meanings assigned to them in the Equities Rules.

(a) The term “Closing Price” shall mean the price of the last transaction in a [Nasdaq] UTP Security on the Exchange reported to the Consolidated Tape that occurs at or prior to close of the regular trading session. In the event that the market for a particular [Nasdaq] UTP Security is manual or “slow” at or just prior to the close of trading (e.g. due to the publication of a gap quote; when a trading pause exists pursuant to the LULD Pilot Program; or when a Liquidity Replenishment Point has been reached), the term “Closing Price” shall mean the price of a single trade at or immediately after the close of the regular trading session.

(b) The term “Exchange Traded Fund” shall mean the Invesco PowerShares QQQ™. For the purposes of trading Nasdaq Securities, references to an “Exchange Traded Fund” or “ETF” in the Equities Rules shall refer to the definition contained herein.]

(b)[c]) The term “[Nasdaq] UTP Security” shall mean any security [listed on the Nasdaq Stock Market], other than a security listed on the Exchange, that

(1) is designated as an “eligible security” pursuant to the UTP Plan, defined in this Rule; [and]

(2) the Exchange has admitted to dealings on the Exchange pursuant to a grant of unlisted trading privileges in accordance with Section 12(f) of the Securities Exchange Act of 1934, as amended[.]; and

(3) if it is an “Exchange Traded Product” (“ETP”) does not have any component security that is listed or traded on the Exchange or the NYSE; provided, however, that the Invesco PowerShares QQQ™ (the “QQQ™”) may be admitted to dealings on the Exchange pursuant to a grant of unlisted trading privileges although one or more component securities of the QQQ™ may be listed or traded on the Exchange or the NYSE, subject to the conditions of Rule 504(b)(5) – Equities.

[Nasdaq] UTP Securities are included within the definition of “security” as that term is defined in Rule 3 – Equities and as used in the Equities Rules.

[Nasdaq] UTP Securities shall be admitted to dealings on the Exchange on an “issued”, “when issued”, or “when distributed” basis.

(c[d]) The term “[Nasdaq] UTP Securities Liaison Committee” shall mean a committee that consists of NYSE Euronext employees of the Operations and U.S. Markets Divisions. The Head of the U.S. Markets Division or a designee shall designate the members of the [Nasdaq] UTP Securities Liaison Committee. A representative of NYSE Regulation Inc. shall act as an ad hoc member of the Committee as needed.

(d[e]) (1) The term “Order” shall mean the order types defined in Rule 13 – Equities, except that the following order types are modified as follows:

(A) Good ‘Til Cancelled (“GTC”) Order or Open Order – An order to buy or sell a [Nasdaq] UTP Security that remains in effect until it is either executed or cancelled. A GTC Order for a [Nasdaq] UTP Security that is not fully executed at the close of the regular trading session shall be treated as a Day Order and cancelled.

(2) The following order types shall not be accepted for the trading of [Nasdaq] UTP Securities and the definition of “Order” in Rules 500-525 – Equities shall not include these order types:

(A) – (F) No change.

(e[f]) No change.

(f[g]) With respect to Nasdaq-listed UTP Securities, t[T]he term “UTP Plan” shall mean the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis, as amended from time to time, filed with and approved by the Commission. With respect to all other UTP Securities, the term “UTP Plan” shall mean the Consolidated Tape Association Plan for the Dissemination of Last Sale Prices of Transactions in Eligible Securities, as amended from time to time, filed with and approved by the Commission.

#### **Rule 502 – Equities. House of Business**

(a) The hours for the transaction of business involving [Nasdaq] UTP Securities shall be in accordance with Rule 51 – Equities.

(b) Members and member organizations shall not make any bid, offer or transaction for [Nasdaq] UTP Securities on Exchange Systems, or route an order for a [Nasdaq] UTP Security to another market center from Exchange Systems, before 9:30 a.m. or after the close of the Off-Hours Trading session.

\*\*\*\*\*

## **Rule 504 – Equities. [Nasdaq] UTP Security Assignment**

### (a) Timing

A [Nasdaq] UTP Security is assigned to a registered and qualified DMM Unit and, if applicable, one or more registered and qualified SLP(s) in accordance with this Rule when: (1) the security is initially admitted to dealings on the Exchange; or (2) the security previously assigned to a DMM unit and/or SLP(s) is subject to re-assignment pursuant to the Equities Rules or the Company Guide.

### (b) DMM Unit Eligibility and Assignment

(1) A DMM Unit is eligible to participate in the assignment process of a [Nasdaq] UTP Security in accordance with the requirements of Rules 98 - and 103B (II) - Equities.

(A) A DMM Unit must maintain a quote at the National Best Bid or Offer according to the levels set forth in Rule 509 – Equities.

(2) The [Nasdaq] UTP Securities Liaison Committee shall, in its discretion, assign to a DMM Unit a group of [Nasdaq] UTP Securities for trading purposes. The [Nasdaq] UTP Securities Liaison Committee shall determine the number of [Nasdaq] UTP Securities within the group of [Nasdaq] UTP Securities assigned to each DMM Unit. The [Nasdaq] UTP Securities Liaison Committee may also, in its discretion, reassign one or more [Nasdaq] UTP Securities to a different DMM Unit.

(3) No more than one DMM Unit shall be assigned to any [Nasdaq] UTP Security.

(4) A member organization shall not act as a DMM Unit for a [Nasdaq] UTP Security on the Floor of the Exchange and also act as an SLP in the same [Nasdaq] UTP Security.

(5) (A) A DMM Unit may be registered in both the QQQ™ [an Exchange Traded Fund] as well as a component security or securities of the QQQ™ [ETF] provided that, at the time of assignment,

(i) no single component in which the DMM Unit is registered exceeds 10% of the index or portfolio underlying the QQQ™ [ETF], and

(ii) all components in which the DMM Unit is registered do not in the aggregate exceed 20% of the index or portfolio underlying the QQQ™ [ETF].

(5) (B) If, during any given month subsequent to the QQQ™ [an Exchange Traded Fund] being assigned to a DMM Unit,

(i) a component security in which the DMM Unit is registered exceeds 10% of the QQQ™'s underlying index or portfolio on an average basis, or

(ii) all components in which the DMM Unit is registered exceed 20% of the QQQ™'s underlying index or portfolio on an average aggregate basis,

The Nasdaq Liaison Committee will reassign either the QQQ™ [ETF] or the component security or securities of the QQQ™ to another DMM Unit as needed to achieve compliance with the concentration measures.

(5) (C) A DMM Unit registered in the QQQ™ [an Exchange Traded Fund] must report to the Exchange on a monthly basis

(i) the component security or securities of the QQQ™ in which it is registered,

(ii) the average percentage of the underlying index or portfolio for each individual component, and

(iii) the total average aggregate percentage of the underlying index or portfolio for all components.

If any of the concentration measures in Rule 504(b)(5)(B) – Equities are exceeded, the DMM Unit must report this to the Exchange as soon as possible.

(c) SLP Eligibility and Assignment

(1) An SLP is eligible to participate in the assignment process of a [Nasdaq] UTP Security in accordance with the requirements of Rule 107B – Equities.

(2) The [Nasdaq] UTP Securities Liaison Committee shall, in its discretion, assign to an SLP a group of [Nasdaq] UTP Securities for trading purposes. The [Nasdaq] UTP Securities Liaison Committee shall determine the number of [Nasdaq] UTP Securities within the group of [Nasdaq] UTP Securities assigned to each SLP.

(3) The [Nasdaq] UTP Securities Liaison Committee shall, in its discretion, assign one or more SLPs to each [Nasdaq] UTP Security, depending on the trading activity of the [Nasdaq] UTP Security. The [Nasdaq] UTP Securities Liaison Committee may also, in its discretion, reassign one or more [Nasdaq] UTP Securities to a different SLP or SLPs.

(4) A member organization shall not act as an SLP and also act as a DMM Unit on the Floor of the Exchange in the same [Nasdaq] UTP Security.

(5) In the event an SLP withdraws from its status as an SLP pursuant to Rule 107B – Equities each [Nasdaq] UTP Security assigned to the SLP shall be reassigned in accordance with that Rule.

(d) Allocation of [Nasdaq] UTP Securities to DMM Panels

In accordance with Rule 103B(IX) – Equities, [Nasdaq] UTP Securities may be allocated for trading, and DMM Units may trade such securities, at panels that also trade securities listed on the Exchange and/or securities listed on the New York Stock Exchange, LLC.

\*\*\*\*\*

**Rule 506 – Equities. Units of Trading; Bids and Offers; Dissemination of Quotations; Priority**

(a) Units of trading – In accordance with Rules 55- and 56- Equities, the unit of trading in [Nasdaq] UTP Securities shall be one share, right or warrant. [Nasdaq] UTP Securities traded on the Exchange shall be quoted in round lots (generally 100 units of trading), except that, if the UTP Listing Market for a particular [Nasdaq] UTP Security designates a round lot for that security of less than one hundred units, the Exchange shall apply the same such lesser number of units for that security. [Nasdaq] UTP Securities designated with round lots of less than one hundred units shall be dealt in pursuant to the provisions of Rule 64 – Equities.

(b) Bids and Offers

(1) The Exchange shall receive, process and execute all bids or offers for [Nasdaq] UTP Securities made and accepted in accordance with Equities rules, and all such bids and offers shall be binding.

(2) As enforced by Exchange systems, bids and offers in UTP [Nasdaq] Securities shall comply with Rule 19 – Equities concerning locking or crossing protected quotations in Regulation NMS stocks.

(3) Bids and offers in [Nasdaq] UTP Securities admitted to dealings

(A) – (B) No change.

(4) The minimum price variations prescribed in Rule 62 – Equities shall apply to all bids and offers in [Nasdaq] UTP Securities.

(c) Dissemination of Quotations – Quotations in [Nasdaq] UTP Securities will be disseminated in accordance with Rule 60 – Equities.

(d) Priority, parity – Bids and offers for [Nasdaq] UTP Securities shall execute in price and time priority and parity in accordance with all applicable Equities rules, including, but not limited to, Rule 72 – Equities.

\*\*\*\*\*

**Rule 508 – Equities. Openings, Reopenings and Closings**

(a) Openings and Reopenings

(1) Trading in [Nasdaq] UTP Securities on the Exchange shall open at 9:30 a.m. or as soon thereafter as possible, or at such other time as may be specified by the Exchange, and order for [Nasdaq] UTP Securities shall not be accepted by the Exchange before trading opens on any business day.

(2) (A) Trading in a [Nasdaq] UTP Security shall not open on a trade but shall only open on a quote published by the DMM Unit assigned to that security.

(B) The DMM Unit for a [Nasdaq] UTP Security shall be responsible for opening trading at 9:30 a.m., or as soon thereafter as possible.

(3) (A) Trading in a [Nasdaq] UTP Security that has been halted, suspended or paused shall only reopen on a quote published by the DMM Unit assigned to that security.

(B) The DMM Unit for a [Nasdaq] UTP Security shall be responsible for reopening trading as soon as possible after a halt, suspension or pause has been lifted.

(4) DMM Units shall not be permitted or required to provide pre-opening, opening or reopening indications for [Nasdaq] UTP Securities pursuant to Rules 15 – and 123D – Equities.

[(5) DMM Units shall not be permitted or required to hold or represent orders for Nasdaq Securities pursuant to Rule 115A.20 – Equities.]

(b) Closings

(1) Trading in [Nasdaq] UTP Securities on the Exchange shall close at the end of the regular trading session at 4:00 p.m., or at such other time as may be specified by the Exchange, and, except for aggregate-price or closing-price orders entered in the Off-Hours Trading Facility in accordance with Rule 511 – Equities, orders for [Nasdaq] UTP Securities shall not be accepted by the Exchange after the regular trading session on any business day.

(2) (A) Orders for [Nasdaq] UTP Securities that are unexecuted at the close of the regular trading session shall be cancelled, except that when the market for a particular [Nasdaq] UTP Security is manual or “slow” just prior to the close of trading (e.g. due to the publication of a gap quote; when a trading pause exists pursuant to the LULD Pilot Program; or when a Liquidity Replenishment Point has been reached), there will be a single trade at or immediately after the close of trading that will set the Closing Price. In such instances, all residual marketable interest for that security received prior to the close of trading shall first be executed at the Closing Price and then all unexecuted interest for the security shall be cancelled.

(B) When the market for a [Nasdaq] UTP Security is slow at the close of trading, the DMM must execute the final trade in the security in a manner consistent with a fair and



orderly market, with reference to the trading characteristics of the stock at issue, including its price, average daily trading volume (“ADTV”), average volatility, the prior sale of the security on the Exchange and the closing price on the UTP Listing Market.

(C) Floor Governor approval is required to close a [Nasdaq] UTP Security that is slow.  
 (3) In the event of an extreme order imbalance at or near the close of the regular trading session that could result in Closing Price dislocation, the procedures of Rule 123C (9) – Equities shall apply. No other procedures of Rule 123C shall apply to trading in [Nasdaq] UTP Securities.

### **Rule 509 – Equities. Dealings of DMM Units and SLPs**

(a) DMM units registered in one or more [Nasdaq] UTP Securities must comply with all “DMM rules” as defined in Rule 98 – Equities, subject to the following modifications:

(1) In lieu of Rule 104(a)(1)(A) – Equities, with respect to maintaining a continuous two-sided quote with reasonable size, a DMM Unit must maintain a bid or offer at the National Best Bid or Offer (“inside”) at least 15% of the trading day for [Nasdaq] UTP Securities in which the DMM Unit is registered with a consolidated average daily volume of less than one million shares, and at least 10% for [Nasdaq] UTP Securities in which the DMM Unit is registered with a consolidated average daily volume equal to or greater than one million shares. Time at the inside is calculated as the average of the percentage of time the DMM Unit has a bid or offer at the inside. In calculating whether the DMM Unit is meeting the 15% or 10% measure, credit will be given for executions for the liquidity provided by the DMM Unit. Reserve or other hidden orders entered by the DMM Unit will not be included in the inside quote calculations.

(2) The provisions of Rules 104(f)(ii) and (iii) and 104(h)(ii) and (iii)(A) – Equities will be operative with respect to [Nasdaq] UTP Securities upon implementation of the applicable Depth Guidelines and Price Participation Points for such securities. The Exchange shall determine when such implementation will occur, but in any event it shall not occur earlier than six months after the effective date of SR-NYSEMKT-2013-XX [by the Exchange, but in any event no later than eighteen weeks after the approval of SR-NYSEAmex-2010-31 by the Securities and Exchange Commission].

(3) The requirements of Rule 79A.20 – Equities shall not apply to DMM Unit transactions in [Nasdaq] UTP Securities.

(b) Notwithstanding Rule 36.30 – Equities, an individual DMM registered in an [Exchange Traded Fund] ETP may use a telephone connection or order entry terminal at the DMM Unit’s post to enter a proprietary order in the [Exchange Traded Fund] ETP in another market center, in a component security of such [Exchange Traded Fund] ETP, or in an options or futures contract related to such [Exchange Traded Fund] ETP, and may use the post telephone to obtain market information with respect to such [Exchange Traded Fund] ETP, options, futures, or component securities. If the order in the component security of the Exchange Traded Fund is to be executed on the Exchange, the

order must be entered and executed in compliance with Rule 112 – Equities and SEA Rule 11a2-2(T), and must be entered only for the purpose of creating a bona fide hedge for a position in the [Exchange Traded Fund] ETP.

(c) SLPs registered in one or more [Nasdaq] UTP Securities must fulfill their responsibilities and duties for those securities in accordance with all applicable Equities Rules and requirements, including, but not limited to, the requirements of Rule 107B – Equities.

### **Rule 510 – Equities. Derivative Securities Products**

Any ETP [Exchange Traded Fund] that is a “new derivative securities product” as defined in Rule 19b-4(e) under the Securities and Exchange Act of 1934, as amended, and traded pursuant to Rule 19b-4(e) under the Act shall be subject to the additional following rules:

(a) – (e) No change.

### **Rule 511 – Equities. Off-Hours Trading**

[Nasdaq] UTP Securities shall be accepted by the Exchange’s “Off-Hours Trading Facility” as part of an “aggregate-price order”, or as a “closing-price order” entered to offset a transaction made in error, as those terms are defined in Rule 900 – Equities.

### **Rule 512 – Equities. Liquidity Replenishment Points**

The Exchange will not apply Liquidity Replenishment Points (“LRPs”) to [Nasdaq] UTP Securities.

\*\*\*\*\*

### **Rule 515 – Equities. Trading Halts, Suspensions or Pauses**

(a) Trading of a [Nasdaq] UTP Security or [Nasdaq] UTP Securities on the Exchange shall be halted, suspended or paused when:

(1) the Exchange halts, suspends or pauses trading in accordance with applicable Equities Rules, including Rules 51-, 80B-, 80C-, 123D- and 510- Equities; the DMM does not need to obtain Floor Official approval to halt a [Nasdaq] UTP security pursuant to Rule 123D – Equities if the security is halted, suspended or paused pursuant to sections (a)(2) – (4) of this Rule;

(2) trading in the [Nasdaq] UTP Security on the UTP Listing Market is halted, suspended or paused by the UTP Listing Market for regulatory purposes in accordance with its rules and/or the UTP Plan;

(3) the authority under which the [Nasdaq] UTP Security trades on the Exchange is revoked because the security is no longer

(A) – (B) No change.

(4) the authority under which the [Nasdaq] UTP Security trades on the UTP Listing Market is revoked because the security is no longer listed with the UTP Listing Market.

(b) (1) in the event that trading of a [Nasdaq] UTP Security or [Nasdaq] UTP Securities is halted, suspended or paused pursuant to this Rule, trading of the affected security or securities on the Exchange will resume in accordance with the procedures of applicable Equities Rules, including Rule 508(a) of this series, the rules of the UTP Listing Market and/or the UTP Plan.

(2) Any orders for a [Nasdaq] UTP Security or [Nasdaq] UTP Securities that are unexecuted at the time trading is halted, suspended or paused on the Exchange shall be cancelled and the Exchange shall not accept any new orders for the affected security or securities for the duration of the halt, suspension or pause.

(c) The provisions of Rule 123D(4) – Equities shall not apply to the trading of [Nasdaq] UTP Securities.

#### **Rule 516 – Equities. Reporting and Recordkeeping**

(a) (1) Members and member organizations that conduct transactions involving [Nasdaq] UTP Securities on the Exchange shall comply with all applicable Equities Rules related to the reporting and recordkeeping of such transactions, including Rules 123- and 132B-Equities.

(2) No change.

(b) Notwithstanding paragraph (a)(2) of this Rule, a Floor broker that receives an order in a [Nasdaq] UTP Security from another member via Exchange systems shall comply with Rules 123 – [and 132B –] Equities whether or not the Floor broker is also a FINRA member subject to FINRA’s Rule 7400 Series.

\*\*\*\*\*

#### **Rule 518 – Equities. Clearance and Settlement**

Members and member organizations that conduct transactions involving [Nasdaq] UTP Securities on the Exchange shall comply with all applicable Equities Rules related to clearance and settlement of such transactions.

\*\*\*\*\*

**Rule 522 – Equities. Limitation of Liability**

Neither the Exchange or any of its affiliates:

(a) shall be liable for any loss, damage, claim or expense arising from or caused by any inaccuracy, error or delay in, or omission of or from, (1) any information concerning a [Nasdaq] UTP Security, including, but not limited to, the intraday indicative value, the value of the underlying index, portfolio or instrument, net asset value, disclosed portfolio, or similar value, or any other information related to the creation, purchase, redemption or trading of [Nasdaq] UTP Securities (collectively “[Nasdaq] UTP Security Information”), or (2) the collection, calculation, compilation, maintenance, reporting or dissemination of any [Nasdaq] UTP Security Information, resulting either from any negligent act or omission by the Exchange or any of its affiliates or from any act, condition or cause beyond the reasonable control of the Exchange or any of its affiliates, including but not limited to, flood, extraordinary weather conditions, earthquake or other act of God, fire, war, insurrection, riot, labor dispute, accident, action of government, communications or power failure, or equipment or software malfunction, except as provided in Rules 17- and 18- Equities, or;

(b) makes any express or implied warranties with respect to (1) any [Nasdaq] UTP Security, (2) any [Nasdaq] UTP Security Information, or (3) the underlying index, portfolio or instrument that is the basis for determining the component securities of an ETP [Exchange Traded Fund].

\*\*\*\*\*