

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 18	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2012 - * 21	Amendment No. (req. for Amendments *)
Proposed Rule Change by NYSE Amex LLC Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934				
Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>
			Section 19(b)(3)(B) * <input type="checkbox"/>	
			Rule	
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)
Exhibit 2 Sent As Paper Document <input type="checkbox"/>		Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).				
Proposal to adopt recent changes to Financial Industry Regulatory Authority Inc Rules 7440 and 7450 and FINRA Rule 5320 by amending Supplementary Material 02 to NYSE Amex Equities Rule 5320 require that member organizations report to the Order Audit Trail System information barriers				
Contact Information Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.				
First Name *	Clare	Last Name *	Saperstein	
Title *	Vice President NYSE Regulation Inc			
E-mail *	csaperstein@nyx.com			
Telephone *	(212) 656-2355	Fax	(212) 656-2223	
Signature Pursuant to the requirements of the Securities Exchange Act of 1934, has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.				
Date	04/02/2012			
By	Janet McGinness	Corporate Secretary		
	(Name *)	(Title *)		
NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.		NYX Janet McGinness,		

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information (required)

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change (required)

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

- (a) NYSE Amex LLC (“NYSE Amex” or the “Exchange”) proposes to (i) adopt recent changes to Financial Industry Regulatory Authority, Inc. (“FINRA”) Rules 7440 and 7450, which the Exchange has incorporated by reference in its own rules, and (ii) adopt recent changes to FINRA Rule 5320 by amending Supplementary Material .02 to NYSE Amex Equities Rule 5320 to require that member organizations report to the Order Audit Trail System (“OATS”) information barriers put into place by the member organization in reliance on Supplementary Material .02 to NYSE Amex Equities Rule 5320. The text of the proposed rule change is attached as Exhibit 5 and is available on the Exchange’s website at www.nyse.com, at the Exchange’s principal office and at the Public Reference Room of the Securities and Exchange Commission (“Commission”).
- (b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action by the Board of Directors or the membership of the Exchange is required. Therefore, the Exchange’s internal procedures with respect to the proposed change are complete.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Theodore R. Lazo
General Counsel
NYSE Regulation, Inc.
(202) 661-8949

Clare F. Saperstein
Vice President
NYSE Regulation, Inc.
(212) 656-2355

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange proposes to (i) adopt recent changes to FINRA Rules 7440 and 7450, which the Exchange has incorporated by reference in its own rules, and (ii) adopt recent changes to FINRA Rule 5320 by amending Supplementary Material .02 to NYSE Amex Equities Rule 5320 to require that member organizations report to OATS information barriers put into place by the member organizations

in reliance on Supplementary Material .02 to NYSE Amex Equities Rule 5320.¹

FINRA recently received Commission approval of changes to the order recording and transmission requirements of the OATS rules in FINRA Rules 7440 and 7450.² First, FINRA amended FINRA Rule 7440 to require FINRA members relying on the no-knowledge exception in Supplementary Material .02 to FINRA Rule 5320 (Prohibition Against Trading Ahead of Customer Orders) to report information to OATS regarding the information barriers adopted by the member in reliance on the exception – FINRA also added this requirement under Supplementary Material .02 to FINRA Rule 5320. Second, FINRA amended FINRA Rule 7440 to extend, to all OATS-eligible securities, the existing requirement to reflect on OATS reports a customer’s instruction regarding display of the customer’s limit orders – the requirement previously applied only to limit orders involving NMS stocks. Finally, FINRA amended FINRA Rule 7450 to codify the specific time by which OATS reports must be transmitted to FINRA.

The Exchange recently adopted the NYSE Amex Equities Rule 7400 Series, which consists of NYSE Amex Equities Rules 7410 through 7470 and is based substantially on the FINRA Rule 7400 Series.³ In this regard, NYSE Amex Equities Rules 7440 and 7450 incorporate by reference the order data recording and transmission requirements of FINRA Rules 7440 and 7450, respectively, by requiring member organizations and associated persons to comply with FINRA Rules 7440 and 7450 as if those rules were part of the Exchange’s rules. Accordingly, the Exchange hereby proposes to adopt the changes to FINRA Rules 7440 and 7450 that were approved pursuant to SR-FINRA-2011-063.⁴

The Exchange also recently adopted NYSE Amex Equities Rule 5320, which is substantially the same as FINRA Rule 5320 and prohibits trading ahead of customer orders with certain exceptions, including large order and institutional account exceptions, a no-knowledge exception, a riskless principal exception, an intermarket sweep order exception, and odd lot and bona fide error transaction

¹ The Exchange’s affiliate, the New York Stock Exchange LLC, has filed a substantially similar rule filing. *See* SR-NYSE-2012-09 filed April 2, 2012.

² *See* Securities Exchange Act Release No. 66021 (December 21, 2011), 76 FR 81551 (December 28, 2011) (SR-FINRA-2011-63).

³ *See* Securities Exchange Act Release No. 65524 (October 7, 2011), 76 FR 64151 (October 17, 2011) (SR-NYSEAmex-2011-74).

⁴ The Exchange notes that the approved changes to FINRA Rules 7440 and 7450 that the Exchange proposes to adopt would be applicable only to Exchange member organization that are also FINRA members. In particular, the changes relate to cross-references to FINRA Rule 5320, and for the Exchange, to NYSE Amex Equities Rule 5320, which is not applicable to Proprietary Trading Firms, as defined in NYSE Amex Equities Rule 7410(p), because they do not have customers and therefore do not need to maintain information barriers.

exceptions.⁵ The Exchange hereby proposes to adopt as Supplementary Material .02(b) to NYSE Amex Equities Rule 5320 the same language that was approved pursuant to SR-FINRA-2011-063 as Supplementary Material .02(c) to FINRA Rule 5320.⁶ Specifically, if a member organization implements and utilizes appropriate information barriers in reliance on the no-knowledge exception provided under Supplementary Material .02 to NYSE Amex Equities Rule 5320, the member organization must uniquely identify such information barriers as prescribed in FINRA Rule 7440(b)(19).

The no-knowledge exception in Supplementary Material .02 to NYSE Amex Equities Rule 5320 provides that if a member organization implements and uses an effective system of internal controls – such as appropriate information barriers – that operate to prevent one trading unit from obtaining knowledge of customer orders held by a separate trading unit, that other trading unit may trade in a proprietary capacity at prices that would satisfy the customer orders held by the separate, walled-off trading unit. Through the use of OATS, FINRA will be able to ascertain, on an automated basis, those member organizations claiming the no-knowledge exception.⁷ This will reduce the potential for “false positive” alerts by allowing FINRA to account for the existence of information barriers when running automated surveillance patterns designed to identify inappropriate trading ahead of customer orders. These new requirements should substantially reduce the number of “false positives” that are identified through automated surveillance patterns by permitting FINRA to account for information barriers when trading ahead may otherwise be indicated.

The Exchange proposes to implement the changes proposed herein on the same date that FINRA implements the changes approved pursuant to SR-FINRA-2011-063, thereby eliminating the potential for different regulatory requirements between common members.⁸

⁵ See Securities Exchange Act Release No. 65165 (August 18, 2011), 76 FR 53009 (August 24, 2011) (SR-NYSEAmex-2011-59).

⁶ For consistency with Exchange rules, the Exchange proposes to change references from “members” in Supplementary Material .02(c) to FINRA Rule 5320 to “member organizations” in proposed Supplementary Material .02(b) to NYSE Amex Equities Rule 5320. The Exchange also proposes to designate the existing text of Supplementary Material .02 to NYSE Amex Equities Rule 5320 as paragraph (a) thereto.

⁷ All Exchange member organizations that are subject to NYSE Amex Equities Rule 5320 are also FINRA members, and FINRA reviews compliance with that rule pursuant to an allocation plan under Rule 17d-2 of the Securities Exchange Act of 1934.

⁸ FINRA has announced that it will implement the changes on April 16, 2012. See <http://www.finra.org/Industry/Compliance/MarketTransparency/OATS/OATSReport/P125612>.

(b) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),⁹ in general, and furthers the objectives of Section 6(b)(5),¹⁰ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. Specifically, the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system by providing greater harmonization among NYSE Rules, NYSE Amex Equities rules, and FINRA Rules of similar substance and purpose. This would result in less burdensome and more efficient regulatory compliance, which would foster cooperation and coordination with persons engaged in facilitating transactions in securities and promote the protection of investors and the public interest. The changes proposed herein are also designed to prevent fraudulent and manipulative acts and practices and to promote just and equitable principles of trade by ensuring that FINRA Rules incorporated by reference in the NYSE Amex Equities Rules and rules that are common among NYSE, NYSE Amex Equities, and FINRA remain consistent after amendments to the particular FINRA Rules.

4. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

5. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

Not applicable.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

The Exchange asserts that the proposed rule change (i) will not significantly affect the protection of investors or the public interest, (ii) will not impose any significant burden on competition, and (iii) by its terms, will not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest. Additionally, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of the filing, or such shorter time as designated by the Commission.

The Exchange believes that this filing is “non-controversial” because it raises no novel issues and is consistent with FINRA Rules previously approved by the Commission.¹³ Moreover, the proposed rule change would provide greater harmonization among NYSE Rules, NYSE Amex Equities Rules and FINRA Rules of similar substance and purpose. The proposed rule change would not impose any significant burden on competition, but instead would result in less burdensome and more efficient regulatory compliance by ensuring that FINRA Rules incorporated by reference in the NYSE Rules and rules that are common among NYSE, NYSE Amex Equities and FINRA remain consistent after amendments to the particular FINRA Rules.

The Exchange respectfully requests that the Commission waive the 30-day delayed operative date so that the proposed rule change may become effective on the same date that FINRA implements the changes approved pursuant to SR-FINRA-2011-063, thereby eliminating the potential for different regulatory requirements between common members.¹⁴ As noted above, FINRA’s implementation date for the change is April 16, 2012.

For the foregoing reasons, this rule filing qualifies for immediate effectiveness as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4.¹⁵ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

¹³ See *supra* note 2.

¹⁴ See *supra* note 7.

¹⁵ 17 CFR 240.19b-4(f)(6).

Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is based on FINRA Rules 5320, 7440 and 7450.¹⁶

9. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Publication in the Federal Register

Exhibit 5 – Text of the Proposed Rule Change

¹⁶ See *supra* note 1.

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NYSEARCA-2012-27)

[Date]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Adopting recent changes to Financial Industry Regulatory Authority, Inc. Rules 7440 and 7450, and Adopt Recent Changes to FINRA Rule 5320 by Amending Supplementary Material .02 to NYSE Arca Equities Rule 5320 to require that ETP Holders Report to the Order Audit Trail System Information Barriers Put Into Place by the ETP Holder in Reliance on Commentary .02 to NYSE Arca Equities Rule 5320

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on April 2, 2012, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to (i) adopt recent changes to Financial Industry Regulatory Authority, Inc. (“FINRA”) Rules 7440 and 7450, which the Exchange has incorporated by reference in its own rules, and (ii) adopt recent changes to FINRA Rule 5320 by amending Commentary .02 to NYSE Arca Equities Rule 5320 to require that ETP Holders report to the Order Audit Trail System (“OATS”) information barriers put

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

into place by the ETP Holder in reliance on Commentary .02 to NYSE Arca Equities Rule 5320. The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and www.nyse.com.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to (i) adopt recent changes to FINRA Rules 7440 and 7450, which the Exchange has incorporated by reference in its own rules, and (ii) adopt recent changes to FINRA Rule 5320 by amending Commentary .02 to NYSE Arca Equities Rule 5320 to require that ETP Holders report to OATS information barriers put into place by the ETP Holders in reliance on Commentary .02 to NYSE Arca Equities Rule 5320.

FINRA recently received Commission approval of changes to the order recording and transmission requirements of the OATS rules in FINRA Rules 7440 and 7450.⁴

First, FINRA amended FINRA Rule 7440 to require FINRA members relying on the no-

⁴ See Securities Exchange Act Release No. 66021 (December 21, 2011), 76 FR 81551 (December 28, 2011) (SR-FINRA-2011-63).

knowledge exception in Supplementary Material .02 to FINRA Rule 5320 (Prohibition Against Trading Ahead of Customer Orders) to report information to OATS regarding the information barriers adopted by the member in reliance on the exception – FINRA also added this requirement under Supplementary Material .02 to FINRA Rule 5320. Second, FINRA amended FINRA Rule 7440 to extend, to all OATS-eligible securities, the existing requirement to reflect on OATS reports a customer’s instruction regarding display of the customer’s limit orders – the requirement previously applied only to limit orders involving NMS stocks. Finally, FINRA amended FINRA Rule 7450 to codify the specific time by which OATS reports must be transmitted to FINRA.

The Exchange recently adopted the NYSE Arca Equities Rule 7400 Series, which consists of NYSE Arca Equities Rules 7410 through 7470 and is based substantially on the FINRA Rule 7400 Series.⁵ In this regard, NYSE Arca Equities Rules 7440 and 7450 incorporate by reference the order data recording and transmission requirements of FINRA Rules 7440 and 7450, respectively, by requiring ETP Holders and associated persons to comply with FINRA Rules 7440 and 7450 as if those rules were part of the Exchange’s rules. Accordingly, the Exchange hereby proposes to adopt the changes to FINRA Rules 7440 and 7450 that were approved pursuant to SR-FINRA-2011-063.⁶

⁵ See Securities Exchange Act Release No. 65544 (October 12, 2011), 76 FR 64406 (October 18, 2011) (SR-NYSEArca-2011-69).

⁶ The Exchange notes that the approved changes to FINRA Rules 7440 and 7450 that the Exchange proposes to adopt would be applicable only to ETP Holders that are also FINRA members. In particular, the changes relate to cross-references to FINRA Rule 5320, and for the Exchange, to NYSE Arca Equities Rule 5320, which is not applicable to Proprietary Trading Firms, as defined in NYSE Arca Equities Rule 7410(p), because they do not have customers and therefore do not need to maintain information barriers.

The Exchange also recently adopted NYSE Arca Equities Rule 5320, which is substantially the same as FINRA Rule 5320 and prohibits trading ahead of customer orders with certain exceptions, including large order and institutional account exceptions, a no-knowledge exception, a riskless principal exception, an intermarket sweep order exception, and odd lot and bona fide error transaction exceptions.⁷ The Exchange hereby proposes to adopt as Commentary .02(b) to NYSE Arca Equities Rule 5320 the same language that was approved pursuant to SR-FINRA-2011-063 as Supplementary Material .02(c) to FINRA Rule 5320.⁸ Specifically, if an ETP Holder implements and utilizes appropriate information barriers in reliance on the no-knowledge exception provided under Commentary .02 to NYSE Arca Equities Rule 5320, the ETP Holder must uniquely identify such information barriers as prescribed in FINRA Rule 7440(b)(19).

The no-knowledge exception in Commentary .02 to NYSE Arca Equities Rule 5320 provides that if an ETP Holder implements and uses an effective system of internal controls – such as appropriate information barriers – that operate to prevent one trading unit from obtaining knowledge of customer orders held by a separate trading unit, that other trading unit may trade in a proprietary capacity at prices that would satisfy the customer orders held by the separate, walled-off trading unit. Through the use of OATS, FINRA will be able to ascertain, on an automated basis, those ETP Holders claiming the

⁷ See Securities Exchange Act Release No. 65166 (August 18, 2011), 76 FR 53013 (August 24, 2011) (SR-NYSEArca-2011-57).

⁸ For consistency with Exchange rules, the Exchange proposes to change references from “members” in Supplementary Material .02(c) to FINRA Rule 5320 to “ETP Holders” in proposed Commentary .02(b) to NYSE Arca Equities Rule 5320. The Exchange also proposes to designate the existing text of Commentary.02 to NYSE Arca Equities Rule 5320 as paragraph (a) thereto.

no-knowledge exception.⁹ This will reduce the potential for “false positive” alerts by allowing FINRA to account for the existence of information barriers when running automated surveillance patterns designed to identify inappropriate trading ahead of customer orders. These new requirements should substantially reduce the number of “false positives” that are identified through automated surveillance patterns by permitting FINRA to account for information barriers when trading ahead may otherwise be indicated.

The Exchange proposes to implement the changes proposed herein on the same date that FINRA implements the changes approved pursuant to SR-FINRA-2011-063, thereby eliminating the potential for different regulatory requirements between common members.¹⁰

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),¹¹ in general, and furthers the objectives of Section 6(b)(5),¹² in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national

⁹ All Exchange ETP Holders that are subject to NYSE Arca Equities Rule 5320 are also FINRA members, and FINRA reviews compliance with that rule pursuant to an allocation plan under Rule 17d-2 of the Securities Exchange Act of 1934.

¹⁰ FINRA has announced that it will implement the changes on April 16, 2012. See <http://www.finra.org/Industry/Compliance/MarketTransparency/OATS/OATSReport/P125612>.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

market system and, in general, to protect investors and the public interest. Specifically, the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system by providing greater harmonization between NYSE Arca Equities Rules and FINRA Rules of similar substance and purpose. This would result in less burdensome and more efficient regulatory compliance, which would foster cooperation and coordination with persons engaged in facilitating transactions in securities and promote the protection of investors and the public interest. The changes proposed herein are also designed to prevent fraudulent and manipulative acts and practices and to promote just and equitable principles of trade by ensuring that FINRA Rules incorporated by reference in the NYSE Arca Equities Rules and rules that are common to both NYSE Arca Equities and FINRA remain consistent after amendments to the particular FINRA Rules.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section

19(b)(3)(A)(iii) of the Act¹³ and Rule 19b-4(f)(6) thereunder.¹⁴ Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)¹⁵ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁶ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6).

¹⁵ 17 CFR 240.19b-4(f)(6).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSEARCA-2012-27 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEARCA-2012-27. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Section, 100 F Street, NE, Washington, DC 20549-1090. Copies of the filing will also be available for inspection and copying at the NYSE's principal office and on its Internet Website at www.nyse.com. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit

only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEARCA-2012-27 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Kevin M. O'Neill
Deputy Secretary

¹⁷ 17 CFR 200.30-3(a)(12).

Additions are underlined;
Deletions are [bracketed].

NYSE Arca Equities, Inc. Rules

* * * * *

Rule 5320. Prohibition Against Trading Ahead of Customer Orders

(a) through (b) No change.

••• *Commentary* : -----

.01 No change.

.02 No-Knowledge Exception

(a) With respect to NMS stocks, as defined in Rule 600 of SEC Regulation NMS, if an ETP Holder implements and utilizes an effective system of internal controls, such as appropriate information barriers, that operate to prevent one trading unit from obtaining knowledge of customer orders held by a separate trading unit, those other trading units trading in a proprietary capacity may continue to trade at prices that would satisfy the customer orders held by the separate trading unit. An ETP Holder that structures its order handling practices in NMS stocks to permit its market-making desk to trade at prices that would satisfy customer orders held by a separate trading unit must disclose in writing to its customers, at account opening and annually thereafter, a description of the manner in which customer orders are handled by the ETP Holder and the circumstances under which the ETP Holder may trade proprietary at its market-making desk at prices that would satisfy the customer order.

(b) If an ETP Holder implements and utilizes appropriate information barriers in reliance on this exception, the ETP Holder must uniquely identify such information barriers as prescribed in FINRA Rule 7440(b)(19), which is incorporated by reference in NYSE Arca Equities Rule 7440.

* * * * *