

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="24"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2013"/> - * <input type="text" value="21"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by NYSE MKT 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"/>
Pilot <input type="checkbox"/>			Rule		
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)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) <input type="checkbox"/> Section 806(e)(2) <input type="checkbox"/>	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) <input type="checkbox"/>
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Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposes to amend Rule 13 Equities to add two self-trade prevention STP modifiers that may be used by certain market participants.

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 action.

First Name * <input type="text" value="Brian"/>	Last Name * <input type="text" value="O'Neill"/>
Title * <input type="text" value="Chief Counsel"/>	
E-mail * <input type="text" value="boneill@nyx.com"/>	
Telephone * <input type="text" value="(212) 656-2373"/>	Fax <input type="text" value="(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.

(Title *)

Date <input type="text" value="02/26/2013"/>	Corporate Secretary <input type="text"/>
By <input type="text" value="Janet McGinness"/> <small>(Name *)</small>	<input type="text" value="Janet McGinness, jmcginness@nyx.com"/>

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.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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 *

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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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies

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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, security-based swap submission, or advance notice 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

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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) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² NYSE MKT LLC ("NYSE MKT" or the "Exchange") proposes to amend Rule 13 - Equities to add two self-trade prevention ("STP") modifiers that may be used by certain market participants.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and the text of the proposed rule change is attached as Exhibit 5. A copy of this filing is available on the Exchange's website at www.nyse.com, at the Exchange's principal office and at the Commission's Public Reference Room.

- (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 rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Brian O'Neill
Chief Counsel
NYSE Regulation Inc.
(212) 656-2373

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

- (a) Purpose

The Exchange proposes to amend Rule 13 - Equities to add two STP modifiers that may be used by certain market participants. The proposed STP modifiers are

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

designed to prevent two orders from the same market participant identifier (“MPID”) assigned to a member organization from executing against each other. Use of the STP modifiers is optional and would not be automatically implemented by the Exchange. Rather, a member organization can choose to add a STP modifier on eligible orders. The STP modifier on the incoming order would determine the interaction between two orders marked with STP modifiers and whether the incoming or the resting order would cancel. Both the buy and the sell order would have to include an STP modifier in order to prevent a trade from occurring and to effect a cancel instruction. The Exchange notes that an incoming order with an STP modifier will execute against all available opposite-side interest in Exchange systems, displayed or non-displayed, pursuant to Rule 72 - Equities, and will be evaluated for cancellation by Exchange systems only to the extent that it would execute against opposite-side interest with an STP modifier with the same MPID.

The Exchange proposes to add two types of STP modifiers, STP Cancel Newest (“STPN”) and STP Cancel Oldest (“STPO”), as discussed in detail below. As proposed, the STP modifiers would be available for limit orders sent to the matching engine by off-Floor participants, except limit orders marked GTC or MTS-IOC.³ Market orders, stop orders, GTCs and MTS-IOC, and orders sent to Floor brokers from off Floor participants with STP modifiers will be rejected.⁴ In addition, because of the manual nature of opening, reopening, and closing single-priced auctions, STP modifiers would not be active during these transactions. The Exchange will not reject orders with STP modifiers sent specifically for execution on the opening or closing auction,⁵ but such modifiers will be ignored. Moreover, limit orders accepted prior to the opening or during the trading day with valid STP modifiers could be executed during a single-priced auction transaction irrespective of such modifiers. The STP modifiers will not be active for Retail Price Improvement Orders (“RPI”) and will also be ignored. Specifically, STP modifiers will not be active for Type 1 designated Retail Orders in all situations and will be ignored. In addition, STP modifiers will not be active for Type 2 and Type 3 designated Retail Orders when they first interact with contra-side RPIs, however once they enter the Exchange’s system to be executed as an Immediate or Cancel Order - normal processing of the STP modifier will occur. Finally, since Exchange systems currently monitor to ensure that DMM interest, which is

³ The STP modifiers would be available for orders entered in either an agency or principal capacity, though the Exchange anticipates that the STP modifiers would be used primarily by member organizations trading on a proprietary basis as a tool to prevent potential inadvertent “wash sales.”

⁴ The Exchange notes that it intends to expand availability of STP modifiers to a wider range of order types. The Exchange will file a subsequent 19b-4 rule filing at that time.

⁵ I.e., Market on Open, Limit on Open, Market on Close, Limit on Close and Closing Only orders.

all proprietary, does not trade with itself - STP modifiers will not be made available for DMM interest.

Proposed STPN Modifier

As proposed, an incoming order marked with the STPN modifier would not execute against opposite-side resting interest marked with either an STPN or STPO modifier with the same MPID.⁶ Such incoming order marked with the STPN modifier would be cancelled back to the originating member organization. The resting order marked with one of the STP modifiers, which otherwise would have interacted with the incoming order, would remain in Exchange systems. After executing with any non-STP opposite-side interest, Exchange systems would cancel the remaining balance of the incoming STPN order that would execute against the opposite-side resting order with the same MPID with an STP modifier. If an STPN could execute at multiple price points, the incoming STPN would execute at the multiple prices until it reaches a price point where there is resting opposite-side STP interest. At the price point where there is opposite-side STP interest, the incoming STPN order would execute against any available non-STP interest, displayed or undisplayed, and the balance, if any, of the incoming STPN order would cancel.

For purposes of these examples, assume that the orders are always with the same MPID and that the Exchange best bid and offer is \$22.00 - \$22.03.

STPN Example 1: An STPO order to buy 500 shares at \$22.00 is resting interest in Exchange systems. Subsequently, an STPN order to sell 500 shares at \$22.00 is entered into Exchange systems.

STPN Result 1: The incoming STPN sell order for 500 shares at \$22.00 would cancel back to the originating member organization. The resting STPO buy order for 500 shares at \$22.00 would remain in Exchange systems.

STPN Example 2: Exchange systems have the following resting interest: a Non-Displayed Reserve Order⁷ to buy 100 shares at \$22.01 (B1), an STPN order to buy 100 shares at \$22.00 (B2) with priority at the quote, an order to buy 200

⁶ Incoming order refers to: 1) orders that have arrived at the Exchange, including those orders that have been routed to an away market and returned to the Exchange unexecuted, and 2) orders that are repriced because of tick sensitive instructions, or the operation of Limit Up/Limit Down price bands or Short Sale Restrictions.

⁷ A Non-Displayed Reserve Order is a limit order that is not displayed, but remains available for potential execution against all incoming automatically executing orders until executed in full or cancelled. See NYSE MKT Rule 13 - Equities.

shares at \$22.00 (B3), a non-displayed reserve eQuote to buy 200 shares (B4), for a total of 500 shares (300 quoted, 200 in reserve) to buy at \$22.00. Subsequently, an incoming STPN order to sell 700 shares at \$22.00 is entered (S).

STPN Result 2: S would execute against B1 for 100 shares at \$22.01, leaving 600 shares of S. Although B2 has priority at the bid, it would be bypassed because it has an STP modifier with the same MPID. S would then execute against B3 for 200 shares at \$22.00, leaving 400 shares of S. S would then execute against B4 for 200 shares at \$22.00. Because the remaining 200 shares of S has an STP modifier from a matching MPID of B2's 100 shares, those remaining 200 shares of S would be cancelled back to the originating member organization. B2 for 100 shares at \$22.00 would not execute and would remain on Exchange systems.

Proposed STPO Modifier

As proposed, an incoming order marked with the STPO modifier would not execute against opposite-side resting interest marked with either an STPN or STPO modifier with the same MPID. Such resting order marked with either of the STP modifiers, which otherwise would have interacted with the incoming order, would be cancelled back to the originating member organization. The incoming order marked with the STPO modifier would remain on Exchange systems. Exchange systems would cancel all opposite-side resting interest with the same MPID having an STP modifier at each price point that the incoming STPO order is eligible to execute. If the incoming STPO order is an immediate or cancel ("IOC") order, and if there is any unfilled balance of the incoming STPO IOC, both the resting STP interest and the remainder of the STPO IOC at that price point would cancel.

For purposes of these examples, assume that the orders are always contain the same MPID and that the Exchange best bid and offer is \$22.00 - \$22.03.

STPO Example 1: An STPO order to buy 500 shares at \$22.00 is resting interest in Exchange systems. Subsequently, an STPO order to sell 500 shares at \$22.00 is entered into Exchange systems.

STPO Result 1: The resting STPO buy order for 500 shares at \$22.00 would cancel back to the originating member organization. The incoming STPO sell order for 500 shares at \$22.00 would be entered in Exchange systems.

STPO Example 2: Exchange systems have the following resting interest: a Non-Display Reserve Order to buy 100 shares at \$22.02 (B1); a Non-Display Reserve Order to buy 100 shares at \$22.01 (B2) and a Non-Display Reserve Order STPN order to buy 100 shares at \$22.01(B3), for a total of 200 shares to buy at \$22.01; an STPN order to buy 500 shares at \$22.00 (B4) and an order to buy 200 shares at

\$22.00 (B5), for a total of 700 shares to buy at \$22.00. Subsequently, an STPO order to sell 500 shares at \$22.00 is entered into Exchange systems (S).

STPO Result 2: S would execute against B1 for 100 shares at \$22.02, leaving 400 shares of S. S would then execute against B2 for 100 shares at \$22.01, leaving 300 shares of S. At \$22.01, because it has an STP modifier from a matching MPID, B3 would cancel back to the originating member organization. S would next execute against B5, leaving 100 shares of the STPO sell order. Because the remaining 100 shares of the S has an STP modifier from a matching MPID of B4, the entire 500 shares of B4 would be cancelled back to the originating member organization. The 100 unexecuted shares of the incoming S would be entered in Exchange systems as resting interest.

STPO Example 3: Assume the same trading scenario as STPO Example 2, except that the incoming S order to sell 500 shares at \$22.00 is also an IOC order.

STPO Result 3: The same executions and cancellations as in STPO Result 2 would occur. After executing against B5, the remaining balance of S would cancel because there is no more opposite-side non-STP interest. Accordingly, at the \$22.00 price point, both the entire amount of B4 and the remaining balance of S (100 shares) would cancel.

Because of the technology changes associated with this rule proposal, the Exchange will announce the implementation date of the STP modifiers in a Trader Update to be published no later than 90 days after the publication of the notice in the Federal Register. The implementation date will be no later than 90 days following publication of the Trader Update announcing publication of the notice in the Federal Register.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b)⁸ of the Securities Exchange Act of 1934 (the “Act”), in general, and furthers the objectives of Section 6(b)(5)⁹ in particular in that 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, and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange believes that adding STP functionality would remove impediments to and perfect the mechanism of a free and open market and a national market system because it would allow firms to better

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

manage order flow and prevent unintended executions with themselves or the potential for “wash sales” that may occur as a result of the velocity of trading in today’s high-speed marketplace. Commonly, member organizations have multiple connections into the Exchange due to capacity and speed-related demands. Orders routed by member organizations via different connections may, in certain circumstances, inadvertently trade against each other. The new STP modifiers would provide member organizations with the opportunity to prevent these unintended trades from occurring. The Exchange notes that the STP modifiers would not alleviate, or otherwise exempt, broker-dealers from their best execution obligations.

At this time, the Exchange proposes to offer the STP modifiers for orders entered by off-Floor participants only. The Exchange believes that the proposal to not make available STP modifiers to DMM interest is consistent with just and equitable principles of trade and not unfairly discriminatory because there is no need for the STP modifier for DMM interest in that Exchange systems already monitor to ensure that DMM interest, which is all proprietary, does not trade with itself. In addition, the Exchange notes that the technology supporting the proposed STP modifiers is not currently compatible with the Floor broker systems, but is actively working to develop the technology to extend STP modifiers to Floor brokers. The Exchange does not believe it should delay the deployment of the STP modifiers for other market participants while it performs the technical modifications required for the use of STP modifiers for Floor brokers.

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. The Exchange believes that the proposal will provide member organizations with the opportunity to prevent unintended self-trades from occurring. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues who offer similar functionality. Many competing venues offer similar functionality to market participants. To this end, the Exchange is proposing a market enhancement to provide greater protections from inadvertent executions, and encourage market participants to trade on the Exchange. The Exchange believes the proposed rule change is pro-competitive because it would enable the Exchange to provide member organizations with functionality that is similar to that of other exchanges.

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.

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

The Exchange believes that the proposal qualifies for immediate effectiveness upon filing in accordance with Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹

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. In addition, the Exchange provided the Commission with written notice of its intent to file the proposed rule changes, along with a brief description and text of the proposed rule changes, at least five business days prior to the date of filing, or such shorter time as the Commission may designate. The Exchange respectively requests waiver of the five day pre-filing period so that the filing may be immediately effective upon filing.

The Exchange believes that this filing does not significantly affect the protection of investors or the public interest because it establishes an order type previously approved for other exchanges, such as the STP modifiers in NYSE Arca Equities Rule 7.31(qq) and the match trade prevention modifiers in BATS Exchange, Inc. (“BATS”) Rule 11.9(f). The Exchange further believes that this proposed rule change does not impose any significant burden on competition because as proposed, the member organization will be in control of when to use an STP modifier and which type of STP modifier would be active for an order. Moreover, as proposed, the STP modifiers would not prevent executions between an order of a member organization with an STP modifier and an order of the same member organization that does not have an STP modifier. Therefore, orders on the Book without an STP modifier will not be disadvantaged or lose the opportunity for a potential execution because of the use of an STP modifier. Rather, the STP modifiers will only serve to prevent orders with the same MPID from trading with each other, and only as directed by the member organization. Accordingly, the Exchange believes that these rule changes are eligible for

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

immediately effective treatment under the Commission's current procedures for processing rule filings.¹²

At any time within 60 days of the filing of the proposed rule changes, the Commission summarily may temporarily suspend such rule changes 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.

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

The STP modifier in proposed NYSE MKT Rule 13 - Equities is based on NYSE Arca Equities Rule 7.31(qq)(1)-(2) and BATS Rule 11.9(f), which both provide for STP or match trade prevention modifiers that cancel the newest order or cancel the oldest order. The Exchange notes that proposal does not adopt all the STP modifier functionality that is available in NYSE Arca Equities Rule 7.31(qq). Specifically, at this time the Exchange does not propose to adopt the STP Decrement and Cancel or the STP Cancel Both modifiers.¹³ The Exchange's proposed addition of STP modifier rule text in NYSE MKT Rule 13 - Equities differs from the NYSE Arca and BATS versions because the Exchange has a parity allocation model, as set forth in NYSE MKT Rule 72 - Equities, pursuant to which orders are allocated based on parity, and not time-price. Accordingly, as proposed, at the Exchange, an incoming order with an STP modifier has the potential for an execution, provided that the execution is not with opposite-side interest with an STP modifier with the same MPID. To address these differences, the Exchange has added language to the rule text that does not appear in the NYSE Arca Equities or BATS rules. In addition, because the Exchange operates a manual opening, re-opening, and closing auction, at this time the Exchange does not propose that the STP modifiers be active for those transactions. The Exchange further notes that the proposed STP modifiers are also similar to the anti-internalization exception in NASDAQ Stock Market LLC ("NASDAQ") Rule 4757(a)(4). The Exchange recognizes that the proposed STP modifiers do not operate in identical fashion to the NASDAQ version, but the intended purpose is the same: to prevent potential wash sales. Finally, the proposed NYSE MKT Rule 13 - Equities contains additional detail on the types of orders that will be processed and ignored that is not currently found in NYSE Arca Equities Rule 7.31(qq) in order to provide market participants with clear understanding of the current status of technology supporting the STP modifiers.

¹² See Securities Exchange Act Release No. 58092 (July 3, 2008), 73 FR 40144 (July 11, 2008) (concerning 17 CFR 200 and 241).

¹³ See NYSE Arca Equities Rule 7.31(qq)(3)-(4).

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

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

Exhibit 5 –Text of Proposed Changes

SECURITIES AND EXCHANGE COMMISSION
 (Release No. 34- ; File No. SR-NYSEMKT-2013-21)

[Date]

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Rule 13 - Equities to Add Two Self-Trade Prevention Modifiers that may be used by Certain Market Participants

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 February 26, 2013, NYSE MKT LLC (the “Exchange” or “NYSE MKT”) 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 amend Rule 13 - Equities to add two self-trade prevention (“STP”) modifiers that may be used by certain market participants. The text of the proposed rule change is available on the Exchange’s website at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 amend Rule 13 - Equities to add two STP modifiers that may be used by certain market participants. The proposed STP modifiers are designed to prevent two orders from the same market participant identifier ("MPID") assigned to a member organization from executing against each other. Use of the STP modifiers is optional and would not be automatically implemented by the Exchange. Rather, a member organization can choose to add a STP modifier on eligible orders. The STP modifier on the incoming order would determine the interaction between two orders marked with STP modifiers and whether the incoming or the resting order would cancel. Both the buy and the sell order would have to include an STP modifier in order to prevent a trade from occurring and to effect a cancel instruction. The Exchange notes that an incoming order with an STP modifier will execute against all available opposite-side interest in Exchange systems, displayed or non-displayed, pursuant to Rule 72 - Equities, and will be evaluated for cancellation by Exchange systems only to the extent that it would execute against opposite-side interest with an STP modifier with the same MPID.

The Exchange proposes to add two types of STP modifiers, STP Cancel Newest ("STPN") and STP Cancel Oldest ("STPO"), as discussed in detail below. As proposed,

the STP modifiers would be available for limit orders sent to the matching engine by off-Floor participants, except limit orders marked GTC or MTS-IOC.⁴ Market orders, stop orders, GTCs and MTS-IOC, and orders sent to Floor brokers from off Floor participants with STP modifiers will be rejected.⁵ In addition, because of the manual nature of opening, reopening, and closing single-priced auctions, STP modifiers would not be active during these transactions. The Exchange will not reject orders with STP modifiers sent specifically for execution on the opening or closing auction,⁶ but such modifiers will be ignored. Moreover, limit orders accepted prior to the opening or during the trading day with valid STP modifiers could be executed during a single-priced auction transaction irrespective of such modifiers. The STP modifiers will not be active for Retail Price Improvement Orders (“RPI”) and will also be ignored. Specifically, STP modifiers will not be active for Type 1 designated Retail Orders in all situations and will be ignored. In addition, STP modifiers will not be active for Type 2 and Type 3 designated Retail Orders when they first interact with contra-side RPIs, however once they enter the Exchange’s system to be executed as an Immediate or Cancel Order - normal processing of the STP modifier will occur. Finally, since Exchange systems currently monitor to ensure that DMM interest, which is all proprietary, does not trade with itself - STP modifiers will not be made available for DMM interest.

⁴ The STP modifiers would be available for orders entered in either an agency or principal capacity, though the Exchange anticipates that the STP modifiers would be used primarily by member organizations trading on a proprietary basis as a tool to prevent potential inadvertent “wash sales.”

⁵ The Exchange notes that it intends to expand availability of STP modifiers to a wider range of order types. The Exchange will file a subsequent 19b-4 rule filing at that time.

⁶ I.e., Market on Open, Limit on Open, Market on Close, Limit on Close and Closing Only orders.

Proposed STPN Modifier

As proposed, an incoming order marked with the STPN modifier would not execute against opposite-side resting interest marked with either an STPN or STPO modifier with the same MPID.⁷ Such incoming order marked with the STPN modifier would be cancelled back to the originating member organization. The resting order marked with one of the STP modifiers, which otherwise would have interacted with the incoming order, would remain in Exchange systems. After executing with any non-STP opposite-side interest, Exchange systems would cancel the remaining balance of the incoming STPN order that would execute against the opposite-side resting order with the same MPID with an STP modifier. If an STPN could execute at multiple price points, the incoming STPN would execute at the multiple prices until it reaches a price point where there is resting opposite-side STP interest. At the price point where there is opposite-side STP interest, the incoming STPN order would execute against any available non-STP interest, displayed or undisplayed, and the balance, if any, of the incoming STPN order would cancel.

For purposes of these examples, assume that the orders are always with the same MPID and that the Exchange best bid and offer is \$22.00 - \$22.03.

STPN Example 1: An STPO order to buy 500 shares at \$22.00 is resting interest in Exchange systems. Subsequently, an STPN order to sell 500 shares at \$22.00 is entered into Exchange systems.

STPN Result 1: The incoming STPN sell order for 500 shares at \$22.00 would cancel back to the originating member organization. The resting

⁷ Incoming order refers to: 1) orders that have arrived at the Exchange, including those orders that have been routed to an away market and returned to the Exchange unexecuted, and 2) orders that are repriced because of tick sensitive instructions, or the operation of Limit Up/Limit Down price bands or Short Sale Restrictions.

STPO buy order for 500 shares at \$22.00 would remain in Exchange systems.

STPN Example 2: Exchange systems have the following resting interest: a Non-Displayed Reserve Order⁸ to buy 100 shares at \$22.01 (B1), an STPN order to buy 100 shares at \$22.00 (B2) with priority at the quote, an order to buy 200 shares at \$22.00 (B3), a non-displayed reserve eQuote to buy 200 shares (B4), for a total of 500 shares (300 quoted, 200 in reserve) to buy at \$22.00. Subsequently, an incoming STPN order to sell 700 shares at \$22.00 is entered (S).

STPN Result 2: S would execute against B1 for 100 shares at \$22.01, leaving 600 shares of S. Although B2 has priority at the bid, it would be bypassed because it has an STP modifier with the same MPID. S would then execute against B3 for 200 shares at \$22.00, leaving 400 shares of S. S would then execute against B4 for 200 shares at \$22.00. Because the remaining 200 shares of S has an STP modifier from a matching MPID of B2's 100 shares, those remaining 200 shares of S would be cancelled back to the originating member organization. B2 for 100 shares at \$22.00 would not execute and would remain on Exchange systems.

Proposed STPO Modifier

As proposed, an incoming order marked with the STPO modifier would not execute against opposite-side resting interest marked with either an STPN or STPO modifier with the same MPID. Such resting order marked with either of the STP modifiers, which otherwise would have interacted with the incoming order, would be cancelled back to the originating member organization. The incoming order marked with the STPO modifier would remain on Exchange systems. Exchange systems would cancel all opposite-side resting interest with the same MPID having an STP modifier at each price point that the incoming STPO order is eligible to execute. If the incoming STPO order is an immediate or cancel ("IOC") order, and if there is any unfilled balance of the incoming STPO IOC, both the resting STP interest and the remainder of the STPO IOC at

⁸ A Non-Displayed Reserve Order is a limit order that is not displayed, but remains available for potential execution against all incoming automatically executing orders until executed in full or cancelled. See NYSE MKT Rule 13 - Equities.

that price point would cancel.

For purposes of these examples, assume that the orders are always contain the same MPID and that the Exchange best bid and offer is \$22.00 - \$22.03.

STPO Example 1: An STPO order to buy 500 shares at \$22.00 is resting interest in Exchange systems. Subsequently, an STPO order to sell 500 shares at \$22.00 is entered into Exchange systems.

STPO Result 1: The resting STPO buy order for 500 shares at \$22.00 would cancel back to the originating member organization. The incoming STPO sell order for 500 shares at \$22.00 would be entered in Exchange systems.

STPO Example 2: Exchange systems have the following resting interest: a Non-Display Reserve Order to buy 100 shares at \$22.02 (B1); a Non-Display Reserve Order to buy 100 shares at \$22.01 (B2) and a Non-Display Reserve Order STPN order to buy 100 shares at \$22.01(B3), for a total of 200 shares to buy at \$22.01; an STPN order to buy 500 shares at \$22.00 (B4) and an order to buy 200 shares at \$22.00 (B5), for a total of 700 shares to buy at \$22.00. Subsequently, an STPO order to sell 500 shares at \$22.00 is entered into Exchange systems (S).

STPO Result 2: S would execute against B1 for 100 shares at \$22.02, leaving 400 shares of S. S would then execute against B2 for 100 shares at \$22.01, leaving 300 shares of S. At \$22.01, because it has an STP modifier from a matching MPID, B3 would cancel back to the originating member organization. S would next execute against B5, leaving 100 shares of the STPO sell order. Because the remaining 100 shares of the S has an STP modifier from a matching MPID of B4, the entire 500 shares of B4 would be cancelled back to the originating member organization. The 100 unexecuted shares of the incoming S would be entered in Exchange systems as resting interest.

STPO Example 3: Assume the same trading scenario as STPO Example 2, except that the incoming S order to sell 500 shares at \$22.00 is also an IOC order.

STPO Result 3: The same executions and cancellations as in STPO Result 2 would occur. After executing against B5, the remaining balance of S would cancel because there is no more opposite-side non-STP interest. Accordingly, at the \$22.00 price point, both the entire amount of B4 and the remaining balance of S (100 shares) would cancel. Because of the technology changes associated with this rule proposal, the

Exchange will announce the implementation date of the STP modifiers in a Trader

Update to be published no later than 90 days after the publication of the notice in the Federal Register. The implementation date will be no later than 90 days following publication of the Trader Update announcing publication of the notice in the Federal Register.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b)⁹ of the Securities Exchange Act of 1934 (the “Act”), in general, and furthers the objectives of Section 6(b)(5)¹⁰ in particular in that 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, and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange believes that adding STP functionality would remove impediments to and perfect the mechanism of a free and open market and a national market system because it would allow firms to better manage order flow and prevent unintended executions with themselves or the potential for “wash sales” that may occur as a result of the velocity of trading in today’s high-speed marketplace. Commonly, member organizations have multiple connections into the Exchange due to capacity and speed-related demands. Orders routed by member organizations via different connections may, in certain circumstances, inadvertently trade against each other. The new STP modifiers would provide member organizations with the opportunity to prevent these unintended trades

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

from occurring. The Exchange notes that the STP modifiers would not alleviate, or otherwise exempt, broker-dealers from their best execution obligations.

At this time, the Exchange proposes to offer the STP modifiers for orders entered by off-Floor participants only. The Exchange believes that the proposal to not make available STP modifiers to DMM interest is consistent with just and equitable principles of trade and not unfairly discriminatory because there is no need for the STP modifier for DMM interest in that Exchange systems already monitor to ensure that DMM interest, which is all proprietary, does not trade with itself. In addition, the Exchange notes that the technology supporting the proposed STP modifiers is not currently compatible with the Floor broker systems, but is actively working to develop the technology to extend STP modifiers to Floor brokers. The Exchange does not believe it should delay the deployment of the STP modifiers for other market participants while it performs the technical modifications required for the use of STP modifiers for Floor brokers.

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. The Exchange believes that the proposal will provide member organizations with the opportunity to prevent unintended self-trades from occurring. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues who offer similar functionality. Many competing venues offer similar functionality to market participants. To this end, the Exchange is proposing a market enhancement to provide greater protections from inadvertent executions, and encourage market participants to trade on

the Exchange. The Exchange believes the proposed rule change is pro-competitive because it would enable the Exchange to provide member organizations with functionality that is similar to that of other exchanges.

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 Act¹¹ and Rule 19b-4(f)(6) thereunder.¹² 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)¹³ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁴ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

¹¹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ 17 CFR 240.19b-4(f)(6)(iii).

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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)¹⁵ of the Act to determine whether the proposed rule change should be approved or disapproved.

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 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-NYSEMKT-2013-21 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-NYSEMKT-2013-21. 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

¹⁵ 15 U.S.C. 78s(b)(2)(B).

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-NYSEMKT-2013-21 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.¹⁶

Kevin M. O'Neill
Deputy Secretary

¹⁶ 17 CFR 200.30-3(a)(12).

Additions underlined.
Deletions [bracketed].

NYSE MKT RULES

Rule 13 – Equities. Orders and Modifiers

Routing Broker

The term ‘Routing Broker’ shall mean the broker-dealer affiliate of the Exchange and/or any other non-affiliate third-party broker-dealer that acts as a facility of the Exchange for routing orders entered into Exchange systems to other market centers for execution whenever such routing is required by Exchange Rules and federal securities laws. The Routing Broker(s) will operate as described in Exchange Rule 17 - Equities.

Self Trade Prevention (“STP”) Modifier

An incoming order designated with an STP modifier will be prevented from executing against a resting opposite-side order also designated with an STP modifier with the same market participant identifier (“MPID”). The STP modifier on the incoming order controls the interaction between two orders marked with STP modifiers. An incoming order with an STP modifier will execute against all available opposite-side interest in Exchange systems, displayed or non-displayed, pursuant to Rule 72 - Equities, and will be evaluated for cancellation by Exchange systems only to the extent that it would execute against opposite-side interest with an STP modifier with the same MPID. For the purposes of this Rule, “incoming order” means: (i) orders that have arrived at the Exchange, including those orders that have been routed to an away market and returned to the Exchange unexecuted; and (ii) orders that are repriced due to the operation of Limit Up/Limit Down price bands or Short Sale Restrictions, as well as tick sensitive instructions.

(a) Eligible Order Types. The STP modifier is available for limit orders entered by off-Floor participants. Limit orders with a STP modifier sent to the matching engine by off-Floor participants that are also GTC or MTS IOC will be rejected. Market orders, stop orders, GTCs and MTS-IOC, and orders sent to Floor brokers from off-Floor participants with STP modifiers will be rejected. STP modifiers will not be active and will be ignored for RPI, Floor broker cross, opening, re-opening, and closing transactions. STP modifiers will not be active for Type 1 designated Retail Orders in all situations and will be ignored. STP modifiers will not be active for Type 2 and Type 3 designated Retail Orders when they first interact with contra-side RPI, however once they enter the

Exchange's system to be executed as an Immediate or Cancel Order, normal processing of the STP modifier will occur.

(b) STP Modifiers.

(i) STP Cancel Newest ("STPN"). An incoming order marked with the STPN modifier will not execute against opposite-side resting interest marked with any of the STP modifiers with the same MPID. After executing against any resting opposite-side interest that does not have an STP modifier with the same MPID, the remaining balance, if any, of the incoming order marked with the STPN modifier will be cancelled back to the originating member organization at the first price point where there is opposite-side interest marked with any of the STP modifiers with the same MPID. The resting interest marked with one of the STP modifiers will remain in Exchange systems.

(ii) STP Cancel Oldest ("STPO"). An incoming order marked with the STPO modifier will not execute against opposite-side resting interest marked with any of the STP modifiers with the same MPID. At each price point where an incoming STPO order is eligible to execute, all resting interest marked with the matching STP modifier will be cancelled back to the originating member organization. The remaining balance, if any, of the incoming order marked with one of the STP modifiers will remain in Exchange systems unless marked as an immediate or cancel order.
