

RETAIL LIQUIDITY PROGRAM

A horizontal bar composed of several colored segments: light blue, medium blue, teal, dark teal, green, and light green.

The Retail Liquidity Program Promotes Cost Savings through Price Improvement to Individual Investor Orders on NYSE Arca.

The Retail Liquidity Program

The new NYSE Arca Retail Liquidity Program (the "Program") promotes price improvement for individual investors' retail order flow for all Tape B and C listed securities traded on the NYSE Arca exchange. This offering of price improvement for retail orders in NYSE Arca listed ETPs and Tape C securities complements the existing Retail Liquidity Programs on NYSE and NYSE MKT. These programs provide individual investors with greater transparency, liquidity, and competition in the U.S. cash equities marketplace. The NYSE Arca Program can be used by retail firms directly as well as by the brokers who service retail order flow providers.

Two New Classes of Market Participants

Under the Program, there are two new classes of market participants:

- Retail Member Organizations (RMOs) who would be eligible to submit certain retail order flow (Retail Orders) to NYSE Arca.
- Retail Liquidity Providers (RLPs) who would provide price improvement for Retail Orders in the form of non-displayed interest priced better than the best PBBO. RLPs would receive economic benefits in exchange for meeting performance obligations. RLPs that miss obligations will not receive enhanced economics. NYSE Arca has the right to revoke RLP status.

All ETP holders, other than RLPs, are also permitted to submit Retail Price Improvement Orders (RPI) and interact with incoming retail orders.

Retail Order Overview

A Retail Order (RO) is an agency order that originates from a natural person and is submitted to the Exchange by an RMO. The order cannot originate from a trading algorithm or any other computer methodology. The RO will interact with any RPIs that are entered at a price better than the PBBO. Depending on the designation of the RO, the RO can also interact with the NYSE Arca book or route. NYSE Arca will send an indicator when RPIs are available, indicating the side of the interest but not the size. The Program is available only for the Core Trading Session. Stocks priced under \$1.00 are not eligible for the Program.

Retail Order Types

RO Type 1 (IOC): A limit order eligible to trade against RPIs and non-displayed orders priced better than the PBBO.

Any unfilled shares will be canceled back to the sender. Identified as Tag 59 (TIF) = 8.

RO Type 2 (IOC): A limit order eligible to trade against RPIs, non-displayed orders priced better than the PBBO, and other orders on the NYSE ArcaBook priced at or better than the PBBO.

Any unfilled shares will be canceled back to the sender.

Identified as Tag 59 (TIF) = 9.

RO Type 2 (DAY): A limit order eligible to trade against RPIs, non-displayed orders priced better than the PBBO, and other orders on the NYSE ArcaBook priced at or better than the PBBO. Any shares not executed on NYSE Arca would route to NMS protected quotations.

The remaining balance will post to the NYSE ArcaBook.

Identified as Tag 59 (TIF) = A, Tag 40 (Order Type) = 2.

RO Type 2 (MKT): A market order eligible to trade against RPIs, non-displayed orders priced better than the PBBO, and other orders on the NYSE ArcaBook priced at or better than the PBBO.

Any unfilled shares will function as a Market Order and will route to NMS protected quotations. Identified as Tag 59 (TIF) = A, Tag 40 (Order Type) = 1

Retail Price Improvement Orders

PL RPI: A non-displayed order of any size, priced better than the PBBO when entered. May be entered at price increments of .001. A PL RPI entered at or worse than the PBBO will be canceled back to the submitting party.

Identified as Tag 18 = 5, Tag 40 = 7, Tag 9416 = R.

MPL RPI: An RPI order that pegs to the midpoint of the PBBO, and trades at the midpoint exclusively with Retail Orders.

Identified as Tag 40 = 2, Tag 18 = M, Tag 9416 = R, Tag 110 = optional minimum size

Market Data

While RPI trading interest is not explicitly displayed on external quote feeds, it is indicated when present on the Consolidated Quote. The value A indicates RPI interest on the bid, B indicates RPI interest of the offer and C indicates RPI interest on both the bid and the offer

RPI trading interest indicators will be added to the NYSE Arca XDP BBO feed in the near future.

Retail Quote Overview



For more information, please contact your Relationship Manager.