

OMB APPROVAL

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Page 1 of * 19

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 Form 19b-4

File No.* SR - 2018 - * 39

Amendment No. (req. for Amendments *)

Filing by NYSE American LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ☒ Amendment * ☐ Withdrawal ☐

Section 19(b)(2) * ☒ Section 19(b)(3)(A) * ☐ Section 19(b)(3)(B) * ☐

Rule

Pilot ☐ Extension of Time Period
 for Commission Action * ☐ Date Expires *

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Security-Based Swap Submission pursuant
 to the Securities Exchange Act of 1934

Section 806(e)(1) * ☐ Section 806(e)(2) * ☐

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document



Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to amend certain rules related to Flexible Exchange Options

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 * Samir Last Name * Patel
 Title * Senior Counsel NYSE Group Inc
 E-mail * Samir.Patel@theice.com
 Telephone * (212) 656-2030 Fax (212) 656-8101

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 07/23/2018

By Martha Redding

(Name *)

Assistant Secretary

Martha Redding,

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 *

Add Remove View

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 *

Add Remove View

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

Add Remove View

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

Add Remove View

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 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 American LLC ("NYSE American" or the "Exchange") proposes to amend certain rules related to Flexible Exchange ("FLEX") Options.

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.

- (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 is required under the Exchange's governing documents. Therefore, the Exchange's internal procedures with respect to the proposed rule change are complete.

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

Samir M. Patel
Senior Counsel
NYSE Group, Inc.
(212) 656-2030

Peter G. Armstrong
Manager, Options
NYSE Group, Inc.
(415) 318-1924

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

- (a) Purpose

The purpose of this filing is to amend certain rules related to FLEX Options, as described below.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

FLEX Options are customized equity or index contracts that allow investors to tailor contract terms for exchange-listed equity and index options.³ The Exchange is proposing to modify rules to offer an alternative settlement for FLEX Equity Options where the underlying security is an Exchange-Traded Fund (“ETF”) Share.⁴ FLEX Equity Options are currently settled by physical delivery of the underlying security.⁵ As proposed, FLEX Equity Options where the underlying security is an ETF rather than an individual stock would be settled by physical delivery of the underlying ETF or by delivery in cash.⁶

An ETF is essentially a mutual fund that tracks a given segment of the market and trades like a single stock, i.e., it can be bought or sold anytime during a trading day. The vast proliferation of ETFs has greatly expanded the ability of investors to take advantage of many unique opportunities to hedge their portfolio and manage risk. Investors can take long and/or short positions - as well as in many cases, leveraged long or short positions - in baskets of securities whose components can include foreign and domestic stock indexes, currencies, commodities and bonds. Over the years, ETFs have also attracted a great deal of options trading. Today, all ETF options are settled physically, i.e., upon exercise, shares of the underlying ETF must be assumed or delivered. Physical settlement possesses certain risks with respect to volatility and movement of the underlying security at expiration that market participants may need to hedge against. Cash settlement does not present that risk. If an issue with the delivery of the underlying security arises, it may become more expensive to reverse due to a change in the price of the underlying security; such risk does not exist with reversing a cash payment. Additionally, with physical settlement, market participants have to sell the underlying security to generate cash while incurring the costs associated with liquidating their position in the underlying security as well as the risk of an adverse movement in the price of the underlying security. The Exchange notes that while there may be certain risks with cash settlement, such risks are minimal and would be monitored. The Exchange further notes that cash settlement for options is not a unique feature and other options exchanges currently trade cash-settled options.⁷

³ See generally Section 15, Flexible Exchange Options, Rules 900G-909G.

⁴ The term “FLEX Equity Option” means an option on a specified underlying security that is subject to the rules in Section 15, Flexible Exchange Options Rules. See Rule 900G(b)(10).

⁵ See Rule 903G(c)(3)(i).

⁶ See proposed Rule 903G(c)(3)(i).

⁷ See e.g. PHLX FX Options traded on Nasdaq PHLX and S&P 500® Index Options traded on Cboe Options Exchange. More recently, the Commission approved the listing and trading of RealDay™ Options on the BOX Options

The Exchange understands that the products that are the subject of this proposed rule change are currently traded in the over-the-counter (“OTC”) market by market participants, e.g., hedge funds, proprietary trading firms, and large pension funds. The Exchange believes there is room for significant growth if a comparable product were introduced for trading on a regulated market. The Exchange expects that users of these OTC products would be among the primary users of exchange-traded cash-settled ETF options. The Exchange believes that the trading of cash-settled ETF options would allow market participants to better manage the risk associated with the volatility of underlying ETF positions. The Exchange also believes that market participants would desire the enhanced liquidity that an exchange-traded product would bring.

Cash-settled ETF options traded on the Exchange would have three important advantages over the contracts that are traded in the OTC market. First, as a result of greater standardization of contract terms, exchange-traded contracts should develop more liquidity. Second, counter-party credit risk would be mitigated by the fact that the contracts are issued and guaranteed by The Options Clearing Corporation. Finally, the price discovery and dissemination provided by the Exchange and its members would lead to more transparent markets. The Exchange believes that its ability to offer cash-settled ETF options would aid it in competing with the OTC market and at the same time expand the universe of products available to interested market participants. The Exchange believes that an exchange-traded alternative may provide a useful risk management and trading vehicle for market participants and their customers.

The Exchange further notes that it has an adequate surveillance program in place for FLEX Equity Options and intends to apply the same program procedures that it applies to the Exchange’s other options products. The Exchange does not believe that it will have any issues with the surveillance of cash-settled FLEX ETF Options, including for manipulation. The Exchange believes that manipulating the settlement price would be difficult based on the size of the market for many of the ETFs currently traded. The vast liquidity of the equities markets ensures a multitude of market participants at any given time. Due to the high level of participation among market makers that enter quotes in ETFs, the Exchange believes it would be very difficult for a single participant to alter the price of an underlying ETF in any significant way without exposing the would-be manipulator to regulatory scrutiny and financial costs.

Additionally, the Exchange is a member of the Intermarket Surveillance Group (“ISG”) under the Intermarket Surveillance Group Agreement dated June 20, 1994. The ISG members work together to coordinate surveillance and

Exchange LLC. See Securities Exchange Act Release No. 79936 (February 2, 2017), 82 FR 9886 (February 8, 2017).

investigative information sharing in the stock and options markets. For surveillance purposes, the Exchange would therefore have access to information regarding trading activity in the pertinent underlying securities.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,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 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 Exchange believes that introducing cash-settled FLEX Equity Options will increase order flow to the Exchange, increase the variety of options products available for trading, and provide a valuable tool for investors to manage risk.

The Exchange believes that the proposal to add cash-settled FLEX Equity Options would remove impediments to and perfect the mechanism of a free and open market as cash-settled FLEX Equity Options would enable market participants to receive cash in lieu of shares of the underlying security, which would, in turn provide greater opportunities for market participants to manage risk through the use of FLEX Equity Options to the benefit of investors and the public interest.

The Exchange believes that the proposal to permit cash settlement would remove impediments to and perfect the mechanism of a free and open market because the proposed rule change would provide OTP Holders with enhanced methods to manage risk by receiving cash instead of the underlying security. In addition, this proposal would promote just and equitable principles of trade and protect investors and the general public because cash settlement would provide investors with an additional tool to manage their risk. Further, the Exchange notes that its proposal to offer cash settlement for FLEX Equity Options where the underlying security is an ETF is not novel in that other exchanges currently offer cash settlement for options whose underlying security is an ETF. The proposed rule change therefore should raise no novel issues for the Commission.¹⁰

Finally, the Exchange represents that it has an adequate surveillance program in place to detect manipulative trading in cash-settled FLEX Equity Options. Regarding the proposed cash settlement, the Exchange would use the same

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ See supra note 7.

surveillance procedures currently utilized for the Exchange's other FLEX Options. For surveillance purposes, the Exchange would have complete access to information regarding trading activity in the pertinent underlying securities. The Exchange believes that limiting cash settlement to FLEX Equity Options where the underlying security is an ETF will reduce the chances of manipulation due to the robust market and liquidity in those products.

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 proposal is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors because it is designed to provide investors seeking to effect FLEX Equity Option orders with the opportunity for different methods of settling option contracts at expiration.

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. The Exchange believes the proposed rule change encourages competition amongst market participants to provide tailored FLEX Equity Options contracts.

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

The Exchange does not consent at this time to an extension of the time period for Commission action.

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

Not Applicable.

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

Not Applicable.

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 Rule Changes

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NYSEAMER-2018-39)

[Date]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing of Proposed Rule Change to Amend Certain Rules Related to Flexible Exchange Options

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 July 23, 2018, NYSE American LLC (the “Exchange” or “NYSE American”) 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 certain rules related to Flexible Exchange (“FLEX”) Options. 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 statements concerning the purpose of, and basis for, the proposed rule change and

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 purpose of this filing is to amend certain rules related to FLEX Options, as described below.

FLEX Options are customized equity or index contracts that allow investors to tailor contract terms for exchange-listed equity and index options.⁴ The Exchange is proposing to modify rules to offer an alternative settlement for FLEX Equity Options where the underlying security is an Exchange-Traded Fund ("ETF") Share.⁵ FLEX Equity Options are currently settled by physical delivery of the underlying security.⁶ As proposed, FLEX Equity Options where the underlying security is an ETF rather than an individual stock would be settled by physical delivery of the underlying ETF or by delivery in cash.⁷

An ETF is essentially a mutual fund that tracks a given segment of the market and trades like a single stock, i.e., it can be bought or sold anytime during a trading day. The

⁴ See generally Section 15, Flexible Exchange Options, Rules 900G-909G.

⁵ The term "FLEX Equity Option" means an option on a specified underlying security that is subject to the rules in Section 15, Flexible Exchange Options Rules. See Rule 900G(b)(10).

⁶ See Rule 903G(c)(3)(i).

⁷ See proposed Rule 903G(c)(3)(i).

vast proliferation of ETFs has greatly expanded the ability of investors to take advantage of many unique opportunities to hedge their portfolio and manage risk. Investors can take long and/or short positions - as well as in many cases, leveraged long or short positions - in baskets of securities whose components can include foreign and domestic stock indexes, currencies, commodities and bonds. Over the years, ETFs have also attracted a great deal of options trading. Today, all ETF options are settled physically, i.e., upon exercise, shares of the underlying ETF must be assumed or delivered. Physical settlement possesses certain risks with respect to volatility and movement of the underlying security at expiration that market participants may need to hedge against. Cash settlement does not present that risk. If an issue with the delivery of the underlying security arises, it may become more expensive to reverse due to a change in the price of the underlying security; such risk does not exist with reversing a cash payment. Additionally, with physical settlement, market participants have to sell the underlying security to generate cash while incurring the costs associated with liquidating their position in the underlying security as well as the risk of an adverse movement in the price of the underlying security. The Exchange notes that while there may be certain risks with cash settlement, such risks are minimal and would be monitored. The Exchange further notes that cash settlement for options is not a unique feature and other options exchanges currently trade cash-settled options.⁸

The Exchange understands that the products that are the subject of this proposed

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rule change are currently traded in the over-the-counter (“OTC”) market by market participants, e.g., hedge funds, proprietary trading firms, and large pension funds. The Exchange believes there is room for significant growth if a comparable product were introduced for trading on a regulated market. The Exchange expects that users of these OTC products would be among the primary users of exchange-traded cash-settled ETF options. The Exchange believes that the trading of cash-settled ETF options would allow market participants to better manage the risk associated with the volatility of underlying ETF positions. The Exchange also believes that market participants would desire the enhanced liquidity that an exchange-traded product would bring.

Cash-settled ETF options traded on the Exchange would have three important advantages over the contracts that are traded in the OTC market. First, as a result of greater standardization of contract terms, exchange-traded contracts should develop more liquidity. Second, counter-party credit risk would be mitigated by the fact that the contracts are issued and guaranteed by The Options Clearing Corporation. Finally, the price discovery and dissemination provided by the Exchange and its members would lead to more transparent markets. The Exchange believes that its ability to offer cash-settled ETF options would aid it in competing with the OTC market and at the same time expand the universe of products available to interested market participants. The Exchange believes that an exchange-traded alternative may provide a useful risk management and trading vehicle for market participants and their customers.

The Exchange further notes that it has an adequate surveillance program in place for FLEX Equity Options and intends to apply the same program procedures that it applies to the Exchange’s other options products. The Exchange does not believe that it

will have any issues with the surveillance of cash-settled FLEX ETF Options, including for manipulation. The Exchange believes that manipulating the settlement price would be difficult based on the size of the market for many of the ETFs currently traded. The vast liquidity of the equities markets ensures a multitude of market participants at any given time. Due to the high level of participation among market makers that enter quotes in ETFs, the Exchange believes it would be very difficult for a single participant to alter the price of an underlying ETF in any significant way without exposing the would-be manipulator to regulatory scrutiny and financial costs.

Additionally, the Exchange is a member of the Intermarket Surveillance Group (“ISG”) under the Intermarket Surveillance Group Agreement dated June 20, 1994. The ISG members work together to coordinate surveillance and investigative information sharing in the stock and options markets. For surveillance purposes, the Exchange would therefore have access to information regarding trading activity in the pertinent underlying securities.

2. Statutory Basis

The Exchange believes that its proposal 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) of the Act,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 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.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

Specifically, the Exchange believes that introducing cash-settled FLEX Equity Options will increase order flow to the Exchange, increase the variety of options products available for trading, and provide a valuable tool for investors to manage risk.

The Exchange believes that the proposal to add cash-settled FLEX Equity Options would remove impediments to and perfect the mechanism of a free and open market as cash-settled FLEX Equity Options would enable market participants to receive cash in lieu of shares of the underlying security, which would, in turn provide greater opportunities for market participants to manage risk through the use of FLEX Equity Options to the benefit of investors and the public interest.

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Finally, the Exchange represents that it has an adequate surveillance program in place to detect manipulative trading in cash-settled FLEX Equity Options. Regarding the

¹¹ See supra note 8.

proposed cash settlement, the Exchange would use the same surveillance procedures currently utilized for the Exchange's other FLEX Options. For surveillance purposes, the Exchange would have complete access to information regarding trading activity in the pertinent underlying securities. The Exchange believes that limiting cash settlement to FLEX Equity Options where the underlying security is an ETF will reduce the chances of manipulation due to the robust market and liquidity in those products.

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 proposal is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors because it is designed to provide investors seeking to effect FLEX Equity Option orders with the opportunity for different methods of settling option contracts at expiration.

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. The Exchange believes the proposed rule change encourages competition amongst market participants to provide tailored FLEX Equity Options contracts.

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

Within 45 days of the date of publication of this notice in the Federal Register or up to 90 days (i) as the Commission may designate if it finds such longer period to be

appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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-NYSEAMER-2018-39 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEAMER-2018-39. 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 Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change.

Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEAMER-2018-39 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.¹²

Robert W. Errett
Deputy Secretary

¹²

17 CFR 200.30-3(a)(12).

Additions underlined
 Deletions [bracketed]

NYSE American Rules

* * * * *

TRADING OF OPTION CONTRACTS

* * * * *

Section 15. Flexible Exchange (“FLEX”) Options

Rule 900G. Applicability and Definitions

* * * * *

Rule 903G. Terms of FLEX Options

(a) - (b) No Change.

(c) Special Terms for FLEX Equity Options

(1) Reserved.

(2) Exercise prices and premiums may be stated in terms of (i) a dollar amount; (ii) a method for fixing such a number at the time a FLEX Request for Quote or FLEX Order is traded; or (iii) a percentage of the price of the underlying security at the time of the trade or as of the close of trading on the Exchange on the trade date. Exercise prices may be rounded to the nearest minimum tick or other decimal increment determined by the Exchange on a class-by-class basis that may not be smaller than \$0.01. Premiums will be rounded to the nearest minimum tick. For exercise prices and premiums stated using a percentage-based methodology, such values may be stated in a percentage increment determined by the Exchange on a class-by-class basis that may not be smaller than 0.01% and will be rounded as provided above.

(3) Exercise settlement shall be:

(i) for FLEX Equity Options other than as set forth in paragraphs (ii) and (iii) below [FLEX ByRDs], by physical delivery of the underlying security; [and]

(ii) for FLEX Equity Options whose underlying security is an Exchange-Traded Fund Share, by physical delivery of the underlying security or by delivery in cash; and

(iii) for FLEX ByRDs, in the same manner and style as Non-FLEX ByRDs, pursuant to the VWAP settlement provision contained in Rule 910ByRDs and pursuant to the European exercise style, per Rule 900ByRDs(b)(1).

(4) FLEX Equity Options shall be subject to the exercise by exception provisions of Rule 805 of the Options Clearing Corporation.

Commentary:

.01 No Change.

* * * * *