

Required fields are shown with yellow backgrounds and asterisks.

Filing by NYSE Arca
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <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 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 new equity trading rules relating to auctions for Pillar

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 * Clare Last Name * Saperstein
 Title * Associate General Counsel NYSE Group Inc
 E-mail * Clare.Saperstein@theice.com
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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 01/07/2016 Assistant Secretary
 By Martha Redding
 (Name *)
 Martha Redding, mredding@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.

SR-NYSEArca-2015-86, Partial Amendment No. 3

NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”), through its wholly-owned corporation, NYSE Arca Equities, Inc. (“NYSE Arca Equities”), hereby submits this Partial Amendment No. 3 to the above-referenced filing (“Filing”) in connection with the proposed rule change to adopt new equity trading rules relating to auctions to reflect the implementation of Pillar, the Exchange’s new trading technology platform. Partial Amendment No. 3 supersedes Partial Amendment No. 2 in its entirety. The Exchange proposes the following amendments to the filing:

1. Amend proposed Rule 7.35P(a)(10) (page 108 of the Exhibit 5) and the third paragraph on page 20 through the first full paragraph on page 21 of the Filing (second full paragraph on page 68 through the carry-over paragraph on page 70 of the Exhibit 1).

The Exchange proposes to amend proposed Rule 7.35P(a)(10) to (i) remove reference to the Trading Halt Auction in connection with Auction Collars; and (ii) add the specified percentages for price collar thresholds for the Core Open Auction and Closing Auction. To reflect these proposed changes, the Exchange proposes to amend proposed Rule 7.35P(a)(10) as follows (new text double-underlined, deleted text in strike-through):

(10) “Auction Collar” means the price collar thresholds for the Indicative Match Price for the Core Open Auction, ~~Trading Halt Auction,~~ or Closing Auction.

(A) The Auction Collar will be based on a price that is a specified percentage away from the Auction Reference Price for the applicable auction. ~~The Corporation will set and modify the price collar thresholds from time to time upon prior notice to ETP Holders.~~ The upper (lower) boundary of the Auction Collar is the Auction Reference Price increased (decreased) by the specified percentage, truncated to the MPV. The specified percentages for price collar thresholds are:

<u>Auction Reference Price</u>	<u>Core Open Auction</u>	<u>Closing Auction</u>
<u>\$25.00 or less</u>	<u>10%</u>	<u>5%</u>
<u>Greater than \$25.00 but less than or equal to \$50.00</u>	<u>5%</u>	<u>2%</u>
<u>Greater than \$50.00</u>	<u>3%</u>	<u>1%</u>

To further reflect the proposed amendment, the Exchange proposes to amend the third paragraph on page 20 through the first full paragraph on page 21 of the Filing (second full paragraph on page 68 through the carry-over paragraph on page 70 of the Exhibit 1) as follows (new text underlined, deleted text in brackets):

Auction Collar. Proposed Rule 7.35P(a)(10) would define “Auction Collar” to mean the price collar thresholds for the Indicative Match Price for the Core Open Auction[, Trading Halt Auction,] or Closing Auction. This term is based on rule text set forth in current Rule 1.1(s)(A), which provides that when the Market Order Auction Price or Closing Auction Price is established by NYSE Arca Equities Rule 7.35(c)(3)(A)(1) or 7.35(e)(3), the Limit Orders eligible for determining the Indicative Match Price will be limited by the price collar thresholds established by the Corporation and that the Corporation sets and modifies such thresholds from time to time upon prior notice to ETP Holders.³⁴

The Exchange proposes a non-substantive difference in Pillar to provide that the Auction Collars would be applicable to the “Core Open Auction” instead of the “Market Order Auction.” The Exchange also proposes in Pillar to refer to it as a price collar threshold for the Indicative Match Price, rather than a price collar threshold for the Limit Orders eligible for determining the Indicative Match Price. Both manners of describing Auction Collars result in orders participating in an auction being priced within price collar thresholds. However, in Pillar, the Exchange has proposed new terminology to describe the limit price of an order being the highest (lowest) specified price at which a Limit Orders to buy (sell) is eligible to trade.³⁵ As described above, when allocating Limit Orders in an auction, the Exchange would use the limit price for determining its ranking, even if it participates at an Indicative Match Price that is different from the limit price or if the Indicative Match Price has been collared. Accordingly, in Pillar, the Auction Collars would not re-price the limit price of Limit Orders, but would re-price the Indicative Match Price to be within the collar thresholds.

Proposed Rule 7.35P(a)(10)(A) would provide that the Auction Collar would be based on a price that is a specified percentage away from the Auction Reference Price for the applicable auction [and that the Corporation would set and modify such thresholds from time to time upon prior notice to ETP Holders]. The rule would further provide that the upper (lower) boundary of the Auction Collar would be the Auction Reference Price increased (decreased) by the specified percentage, truncated to the MPV. This proposed rule text specifies in detail how Auction Collars would be set in Pillar[, except for the specified percentage. As provided for in current Rule 1.1(s)(A), the Exchange would continue to set and modify the thresholds from time to time upon prior notice to ETP Holders]. The

³⁴ The price collar thresholds were modified on April 13, 2015 and September 8, 2015. See NYSE Arca Trader Update, “NYSE Arca Equities Enhancements to Auction Collars,” dated April 10, 2015, and NYSE Arca Trader Update, “NYSE Arca Equities Enhancements to Auction Collars,” dated September 4, 2015, available here: <https://www.nyse.com/trader-update/history> and here: [https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE Arca Trader Update Auction Collars Sept 2015.pdf](https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE%20Arca%20Trader%20Update%20Auction%20Collars%20Sept%202015.pdf).

³⁵ See NYSE Arca Equities Rule 7.36P(a)(2).

Exchange also proposes to specify in the Pillar rule the current price collar thresholds that the Exchange uses for the Market Order Auction and Closing Auction.³⁶ Accordingly, proposed Rule 7.35P(a)(10)(A) would provide that the specified percentages for the price collar thresholds would be:

<u>Auction Reference Price</u>	<u>Core Open Auction</u>	<u>Closing Auction</u>
<u>\$25.00 or less</u>	<u>10%</u>	<u>5%</u>
<u>Greater than \$25.00 but less than or equal to \$50.00</u>	<u>5%</u>	<u>2%</u>
<u>Greater than \$50.00</u>	<u>3%</u>	<u>1%</u>

2. Amend the third full paragraph on page 9 of the Filing (first full paragraph on page 52 of the Exhibit 1).

The Exchange proposes to amend the third full paragraph on page 9 of the Filing (first full paragraph on page 52 of the Exhibit 1) as follows (new text underlined):

As with the current rule, all securities for which the Exchange is the primary listing market would be Auction-Eligible Securities. The Exchange proposes a substantive difference for Pillar to provide that the Exchange would designate UTP Securities that would be Auction-Eligible Securities. This proposed rule text would allow, as under the current rules, for the Exchange to conduct auctions in UTP Derivative Securities Products. It would also allow the Exchange to designate Tape A, B, or C securities that are not UTP Derivative Securities Products as being auction eligible. The Exchange would provide prior notice to ETP Holders if additional UTP Securities are to be designated as Auction-Eligible Securities. The Exchange believes this proposed rule change would support the initiatives of the Exchange, NYSE, and the NASDAQ Stock Market LLC (“Nasdaq”) to increase resiliency by having auctions on NYSE Arca serve as a back-up to either NYSE or Nasdaq if one of those markets is unable to conduct an auction.

3. Amend the second bulleted paragraph on page 39 of the Filing (the first bulleted paragraph on page 99 of the Exhibit 1).

The Exchange proposes to amend the second bulleted paragraph on page 39 of the Filing (the first bulleted paragraph on page 99 of the Exhibit 1) as follows (new text underlined):

³⁶ See note 34, supra. [See, e.g., Nasdaq Rules 4752(b)(2)(E) and 4754(b)(2)(E) (Nasdaq establishes threshold benchmarks for its Opening Cross and Closing Cross).]

- The proposed substantive difference to conduct a Closing Auction if there are only Market Orders on both sides of the market and use the midpoint of the Auction NBBO to price such auction would increase the potential for market participants that have entered MOC Orders to receive an execution in an auction that is priced based on the prevailing value of the security. Specifically, pricing such auction based on the midpoint of the Auction NBBO in effect as of the scheduled time of the Closing Auction as bound by Auction Collars that would be based on the last consolidated round-lot price of that trading day would reflect the most recent quoting activity and price in a stock and therefore the market's view of the value of the security. In addition, pricing an auction with only Market Orders on both sides of the market based on the midpoint of an uncrossed NBBO is not novel as it is based on how the Exchange currently prices the Market Order Auction for non-NYSE Arca-listed securities if there are only Market Orders on both sides of the market, as specified in current Rule 7.35(c)(3)(A)(2)(i). If there is no Auction NBBO, which would indicate that there is not a good quote in a security, the Exchange would instead price the auction based on the last consolidated round lot sale[, which, in the absence of an Auction NBBO, would reflect the most recent price for the security].

4. Amend second full paragraph on page 24 of the Filing (last paragraph on page 74 of the Exhibit 1).

The Exchange proposes to replace the second full paragraph on page 24 of the Filing (last paragraph on page 74 of the Exhibit 1) as follows (new text proposed in Partial Amendment No. 1 is underlined and new text proposed in this Partial Amendment No. 2 is double-underlined):

Proposed Rule 7.35P(c)(1) would further provide that the non-displayed quantity of Reserve Orders that are eligible to participate in the Core Open Auction would not be included in the Matched Volume, Total Imbalance, or Market Imbalance until the Core Open Auction Imbalance Freeze begins.⁴¹ This would be new rule text for Pillar, to specify that for Reserve Orders that are eligible to participate in the Core Open Auction, the reserve quantity would not be included in specified Imbalance information until the Core Open Auction Imbalance Freeze begins. As discussed above, the Indicative Match Price would include the volume of the non-displayed portion of Reserve Orders at all times because that data point only provides pricing information, and not volume of shares eligible to trade. The Exchange believes it is appropriate to exclude the volume of the non-display portion of Reserve Orders until the Core Open Auction Imbalance Freeze begins to reduce the potential for market participants to identify the volume of interest that is intended to be non-displayed. The Exchange further believes it is

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As with current functionality, the Indicative Match Price would include the non-display quantity of such Reserve Orders at all times.

appropriate to include this information once the Auction Imbalance Freeze begins so that market participants can have greater certainty of the full size of the imbalance to assess whether to enter offsetting interest as well as to promote transparency regarding the pricing of an auction. Because the proposed rule would specify that reserve interest would be included in specified Auction Imbalance Information, ETP Holders that enter Reserve Orders would be on notice that certain information about the reserve quantity of their orders would be included in the information provided in advance of an auction. Thus, if an ETP Holder seeks an opportunity to participate in an auction, the rules would provide specificity of when and how the reserve portion of a Reserve Order would be included in the Auction Imbalance Information.

5. Amend Commentary .01 on page 113 of the Exhibit 5.

The Exchange proposes to amend the Commentary .01 on page 113 of the Exhibit 5 to add cross references to Rule 7.16P, as follows (new text double-underlined)

Commentary:

.01 During a Short Sale Period (as defined in Rule 7.16P(f)):

- (a) For purposes of pricing an auction and ranking orders for allocation in an auction, sell short Market Orders that are adjusted to a Permitted Price (as defined in Rule 7.16P(f)) will be processed as Limit Orders ranked Priority 2 – Display Orders and will not be included in the Market Imbalance.
- (b) Sell short orders that are included in Auction Imbalance Information, but are not eligible for continuous trading before the applicable auction, will be adjusted to a Permitted Price as the NBB moves both up and down.

All other representations in the Filing remain as stated therein and no other changes are being made.