Date: March 2, 2015

Audience: NYSE, NYSE MKT, NYSE Arca Traders and Technical Representatives

Subject: Pillar: Phase I Functional Platform Changes

As previously announced, NYSE Arca Equities will be the first market to migrate to Pillar, our new, integrated trading technology platform, during the third quarter of 2015. During Phase I, customers will continue to connect to the existing NYSE Arca gateways and use existing messaging protocols. The following highlights certain changes that will go into effect on a symbol-by-symbol basis as the Pillar matching engines are deployed.

ORDER TYPE UPDATES

PNP and PNPB Orders	
Current	• PNP orders that lock or cross the PBBO will cancel. • PNP B orders that lock or cross the PBBO will display at 1 MPV worse than the price of the contra side PBBO with a working price at the price of the PBBO.
Pillar	• Will be renamed as 'Arca Only Order'. • Arca Only orders will follow the processing behavior of the PNPB order.

ALO Orders	
Current	• If marketable on entry, order will reject. • Can be odd-lot sized.
Pillar	• ALO Orders crossing non-displayed interest will execute and be billed as a taker. If the ALO is locking non-displayed interest, it will display at the locking price. • After evaluation against non-displayed interest, ALO orders crossing contra-side displayed interest (including away market quotes) on entry will re-price and display at 1 MPV worse than the contra-side interest. • Must be at least 1 round lot in size on entry or they will be rejected. Can be partially executed or cancelled to less than 1 round lot.

Reserve Orders

Current	• Replenished only after the displayed quantity is fully executed. • Replenished amount receives a new time priority and keeps the same OrderID.
Pillar	• Replenished after each execution, even if less than the displayed quantity. • Replenished amount receives a new time priority and receives a new OrderID.

IOC Orders

Current	• Does not support a 'Minimum Quantity'.
Pillar	• Will support an optional 'Minimum Quantity' that will evaluate against all marketable contra-side interest (displayed and non-displayed), or else it will cancel.

PL Orders

Current	• Ranked behind all other non-displayed interest, then ranked in time sequence if multiple PL orders are present.
Pillar	• Will be renamed as 'Non-Displayed Limit Order'. • Will rank in time sequence with all other non-displayed interest.

Opening , Closing and Primary Only Orders

Current	• MOO, LOO, MOC and LOC orders in securities that are not eligible for an auction on Arca are rejected, unless designated as a Primary Only Order. • Do not accept MOO and LOO orders for Trading Halt Auctions.
Pillar	• Will route any MOO, LOO, MOC and LOC orders in securities that are not eligible for an auction on Arca to the primary market. Primary Only instruction is not necessary. • Will accept MOO and LOO Orders for Trading Halt Auctions.

Market and Primary Peg Orders

Current	• Use the National Best Bid and Offer (NBBO) as the reference price. • Market Peg orders do not require a price, require an 'Offset' price and are displayed at their pegged price.
Pillar	• Will use the Protected Best Bid and Offer (PBBO) as the reference price. • Market pegs will require a price, will offer an optional 'Offset' price and will always be un-displayed.

Eliminated and Deferred Order Types

Current	• Auto Market Maker Q orders are supported. • Good Till Cancelled (GTC) and Good Till Date (GTD) orders are supported. • Limit orders, Market and Primary Pegs can include a discretionary price
Pillar	• Auto Market Maker Q orders will be rejected. • Good Till Cancelled (GTC) and Good Till Date (GTD) orders will be rejected in Phase I of Pillar deployment for Arca, but will be re-introduced in Phase II. • Discretionary Orders will not be supported in Phase I and will be re-introduced in Phase II.

ADDITIONAL ORDER PROCESSING UPDATES

Cancel and Cancel Replace Handling	
Current	• Fast Cancel Replace messages are accepted. • Cancel Replace orders are only allowed to modify a restricted set of order parameters. • Cancel Replace orders retain priority and the same OrderID when quantity is reduced, Side is changed from S to SS or SSE, or TIF, ExecInst, PegDifference, TradingSessionID or MinQty is changed. • If a Cancel or Cancel Replace order is rejected, the order status (cOrdStatus) on FIX message 9 will denote the actual order status (e.g. 1=executed) at the time of the reject. • For Bulk Cancel messages, a pending cancel message will be sent for any order that cannot be immediately cancelled due to the freeze period before an auction or if the order is currently routed to another market.
Pillar	• Fast Cancel Replace messages will be rejected. • Cancel Replace orders will allow all order parameters to be changed with the exception of symbol and side from B to S or vice versa. • Cancel Replace orders that reduce quantity or modify the Side from S to SS or SSE will retain time priority and OrderID. All other modifications will result in a new time priority and OrderID. • If a Cancel or Cancel Replace order is rejected, the order status (cOrdStatus) on FIX message 9 will always be set to 8 (rejected). • For Bulk Cancel messages, no pending cancel message will be sent for any order that cannot be immediately cancelled.

Limit Order Price Checks	
Current	• Orders are evaluated against the limit order price checks only on arrival. • Orders not eligible for the current session at time of arrival (session 2 orders entered during session 1, session 3 orders entered during session 2, or any order that will go live after a re-opening auction) do not get evaluated against the limit order price checks before being placed on the book. • Orders rejected if priced above/below the specified percentage away from the NBBO.
Pillar	• Orders not eligible for the current session at time of arrival (session 2 orders entered during session 1, session 3 orders entered during session 2, or any order that will go live after a re-opening auction) will be evaluated against the limit order price checks prior to being eligible and placed on the book. • Orders will be rejected if priced at or above/below the specified percentage away from the NBBO.

Sell Short Restriction (SSR) Handling	
Current	• The option to cancel a Sell Short order rather than re-price to comply with a Sell Short Restriction (SSR) is evaluated on order arrival.
Pillar	• The option to cancel a Sell Short order rather than re-price to comply with a Sell Short Restriction (SSR) will be retained for the entire life of the order.

Self Trade Prevention (STP)	
Current	• STP is not available for Tracking Orders.
Pillar	• STP will be available for Tracking Orders.

Reject Processing	
Current	• When an order is rejected or cancelled, a reason text is provided in the response.
Pillar	• When an order is rejected or cancelled, a new numeric reason code along with new reject text will be provided in the response. Example "R028: Invalid Price".

Execution Reports	
Current	• Execution reports via the FIX format pads the Average Price field with trailing zeros.
Pillar	• Execution reports via the FIX format will truncate trailing zeros from the Average Price field.

AUCTION PROCESSING UPDATES

Auctions	
Current	• Orders marked as Session 1 only are eligible for the Market Order Auction.
Pillar	• The Limit Order Auction will be renamed the 'Early Open Auction'. • The Market Order Auction will be renamed the 'Core Open Auction'. • Orders marked as Session 1 only will not be eligible for the Core Open Auction.

Market and Auction Collars	
Current	• Both Market and Auction collars allow an execution at the collar price, which is based on the appropriate CEE rule based deviation from the last sale.
Pillar	• Both Market and Auction collars will allow an execution 1 MPV inside the collar price, which will continue to be based on the appropriate CEE rule based deviation from the last sale.

Several of the changes noted above will require NYSE Arca rule amendments, which will be subject to approval by the Securities and Exchange Commission. This document is intended to provide a summary for reference purposes only and is not intended to be a comprehensive description of order types and modifiers. Specific details regarding functioning of any Exchange order types will be set forth in Exchange rules.

What you can expect next:
Our next communication will come later in March and will provide additional technical details around the changes noted above. Additionally, detailed capabilities and timelines for User Certification Testing environment and industry testing opportunities will be made available.

Pillar Webpage:
Information will also be made available at: http://nyse.com/Pillar

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