Date: **August 4, 2016**

Audience: **NYSE Arca Options Participants**

Subject: **Risk Controls / Series Lookup Table Enhancements**

On Monday, August 8, NYSE Arca Options will release into the trading environment the new functionality specified below for symbols beginning with the letter "Z". The functionality, which will initially be in the off position, will be turned on at later dates to be announced in additional trader notices. Future phases of the roll out will be communicated in subsequent Trader Updates. This release includes several system optimizations which require no client changes.

Index Series Lookup Table:

The Index Series Lookup Table will be expanding. Each day of the month the series ID index numbers will increase by 2,000,000. Today the series ID index increases by 1,000,000 each day of the month.

Bulk Cancel Functionality:

Bulk Cancel functionality on NYSE Arca Options will be expanding such that a firm can bulk cancel by their OTPID via FIX or UGW Binary connections, or the Client Management Tool ("CMT").

Market Maker Quote Arb Check:

In conjunction with the existing Too-Executable Check for Market Maker Quotes, NYSE Arca Options will be introducing a Market Maker Arb Check to monitor quotes during times in which there is no valid NBBO available. This check will reject any call bid greater than or equal to the underlying last sale price and any put bid greater than or equal to the strike price.

Too-Executable Check:

Pending regulatory approval, the existing Too-Executable Check for Complex Orders will expand to cover Complex Orders entered pre-open or during a trading halt. This functionality already monitors single-leg orders prior to the market open, during a halt, and during the trading day and Complex Orders during the trading day.

Activity Based Risk Mitigation:

Pending regulatory approval, NYSE Arca Options will be enhancing Activity Based Risk Mitigation for orders. The functionality for orders will be expanded to cover all single-leg and complex order types. Once a firm chooses to opt in to this functionality, settings will persist until reset by the order sending firm. Activity-Based Risk Mitigation for Market Maker Quotes will continue to be mandatory. Clients can choose an aggregation method based on the Number of Transactions, Contract Volume, or Percent of Order/Quote Size.

Invalid Complex Strategies:

Pending regulatory approval, NYSE Arca Options will reject Invalid Complex Strategies. Invalid Complex Strategies will be defined as a complex order composed of two legs that are (a) both Buys or both Sells and (b) both Calls or both Puts; or a complex order composed of three or more legs and (a) all legs are Buys or (b) all legs are Sells.

Contact Info:

For any questions, please contact your relationship manager at rmteam@nyse.com.

Follow us on Twitter: www.twitter.com/nyse