

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

FEDERAL CITATION OF PREVIOUS

ANNOUNCEMENT: Publishing in the FR of 1/22/24.

PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING: Wednesday, January 24, 2024, at 10:00 a.m.

CHANGES IN THE MEETING: The Open Meeting scheduled for Wednesday, January 24, 2024, at 10:00 a.m. has been changed to Wednesday, January 24, 2024 at 9:15 a.m.

CONTACT PERSON FOR MORE INFORMATION: For further information; please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.
Authority: 5 U.S.C. 552b.

Dated: January 19, 2024.

Vanessa A. Countryman,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-99354; File No. SR-NYSEAMER-2024-03]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change To Modify Rule 980NYP

January 17, 2024.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on January 9, 2024, NYSE American LLC (“NYSE American” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II 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 modify Rule 980NYP (Electronic Complex Order Trading) to specify additional trading interest that would result in the early end of a Complex Order Auction (“COA”). 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 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 Exchange proposes to modify Rule 980NYP (Electronic Complex Order Trading) to specify additional trading interest that would result in the early end of a Complex Order Auction (“COA”).

Rule 980NYP reflects how Electronic Complex Orders (“ECOs”) will trade on the Exchange⁴ and paragraph (f) to this rule describes the handling of ECOs submitted to the Complex Order Auction (COA) process.⁵ When a COA Order initiates a COA, the Exchange disseminates a Request for Response (“RFR”) to solicit potentially price-improving ECO interest—which solicited interest includes interest designated to respond to the COA (*i.e.*, COA GTX Orders) and unrelated price-improving ECO interest (resting and newly arriving) that arrives during the Response Time Interval (each an “RFR Response”) (collectively, the “auction interest”).⁶ The COA lasts for the

⁴ See generally Rule 980NYP (Electronic Complex Order Trading). Unless otherwise specified, all capitalized terms used herein have the same meaning as is set forth in Rule 980NYP.

⁵ See Rules 980NYP(f) (Execution of ECOs During a COA), (f)(1) (Initiation of a COA), (f)(2) (Pricing of a COA). See also Rule 980NYP(a)(3)(A) (defining a “COA Order” as an ECO designated as eligible to initiate a COA).

⁶ See Rules 980NYP(a)(3)(B) (defining, and detailing the information included in, each RFR); (a)(3)(C) (defining each “RFR Response” as, among other things, “any ECO” received during the Response Time Interval that is in the same complex strategy as, and is marketable against, the COA Order); and (a)(3)(D) (defining the Response Time Interval as the period during which RFR Responses may be entered, which period “will not be less than 100 milliseconds and will not exceed one (1) second,” as determined by the Exchange and

duration of the Response Time Interval unless, during the COA, the Exchange receives certain options trading interest that requires the COA to conclude early.⁷ When the COA concludes, the COA Order executes first with price-improving ECO interest, next with any contra-side interest, including the leg markets (if permissible),⁸ and any remaining balance (that is not cancelled) is ranked in the Consolidated Book (the “Consolidated Book” or “Book”).⁹ Once the COA Order executes to the extent possible—whether with the best-priced Complex Orders or the best-priced interest in the leg markets—and is placed in the Book, the Exchange will update its complex order book and, if applicable, the Exchange BBO (as a result of any executions of the COA Order with the leg markets).

The Exchange proposes to modify Rule 980NYP(f)(3) to add new paragraph (E), which would provide that a COA in progress will end early any time there is a Complex Qualified Contingent Cross (“QCC”) Order submitted in the same complex strategy as the COA Order.¹⁰ By its terms, a Complex QCC Order “that is not rejected” by the Exchange, “will immediately trade in full at its price.”¹¹ To avoid rejection, a Complex

announced by Trader Update). See Rule 980NYP(b)(2)(C) (defining a “COA GTX Order,” including that such order is submitted in response to an RFR announcing a COA and will trade with the COA Order to the extent possible and then cancel).

⁷ See Rule 980NYP(f)(3)(A)–(D) (setting forth the circumstances under which a COA will conclude before the end of the Response Time Interval).

⁸ The Exchange notes that there are certain limitations to how an ECO, including a COA Order post-COA, may interact with the leg markets. See, e.g., Rule 980NYP(e)(1)(A) (providing, in relevant part, that the leg markets will trade first with an ECO, but only if the legs can execute with the ECO “in full or in a permissible ratio,” and, once the leg markets trade with the ECO to the extent possible, such ECO will trade with same-priced ECOS resting in the Book). See also Rule 980NYP(e)(1)(C)–(D) (describing ECOS that are not permitted to trade with the leg markets).

⁹ See Rule 980NYP(f)(4)(A)–(C) (Allocation of COA Orders) (providing, in relevant part, that when a COA ends early or at the end of the RTI, a COA Order trades first with price-improving interest, next “with any contra-side interest, including the leg markets, unless the COA is designated as a Complex Only Order” and any remaining portion is ranked in the Consolidated Book and the COA Order is processed as an ECO pursuant to Rule 980NYP(e) (Execution of ECOS During Core Trading Hours). See Rule 900.2NY (defining Consolidated Book as “the Exchange’s electronic book of orders and quotes.”).

¹⁰ See proposed Rule 980NYP(f)(3)(E). See Rules 900.3NYP(g)(1)(A) (providing that a “Complex QCC Order” is a QCC with more than one option leg and specifying that “each option leg must have at least 1,000 contracts”) and (g)(1)(D) (setting forth the pricing requirements that a Complex QCC Order must meet, or else it will be rejected).

¹¹ See Rule 900.3NYP(g)(1)(A) (providing that a QCC Order, including a Complex QCC Order, “that is not rejected per paragraph (g)(1)(C) [Execution of

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.