



Martha Redding
Corporate Secretary

July 28, 2022

VIA E-MAIL

Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: SEC Release No. 34-94842 (SR-NYSENAT-2022-06)

Dear Secretary:

NYSE National, Inc. filed the attached Amendment No. 1 to the above-referenced filing on July 28, 2022.

Sincerely,

A handwritten signature in blue ink, appearing to be "M. Redding", written in a cursive style.

Encl. (Amendment No. 1 to SR-NYSENAT-2022-06)

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19

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

F e No. * SR 2022 * 06

Amendment No. (req. for Amendments *) 1

F ng by NYSE Nat ona , Inc.

Pursuant to Ru e 19b 4 under the Secur tes Exchange Act of 1934

Int a * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	W thdrawa <input type="checkbox"/>	Sect on 19(b)(2) * <input checked="" type="checkbox"/>	Sect on 19(b)(3)(A) * <input type="checkbox"/>	Sect on 19(b)(3)(B) * <input type="checkbox"/>
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			<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)

Not ce of proposed change pursuant to the Payment, C ear ng, and Sett ement Act of 2010

Sect on 806(e)(1) *

Sect on 806(e)(2) *

Secur ty Based Swap Subm ss on pursuant to the Secur tes Exchange Act of 1934

Sect on 3C(b)(2) *

Exh b t 2 Sent As Paper Document

Exh b t 3 Sent As Paper Document

Description

Prov de a br ef descr pt on of the act on (m t 250 characters, requ red when Int a s checked *).

Proposa to mod fy Ru e 7.31 to add subparagraph (f)(4) regard ng D rected Orders

Contact Information

Prov de the name, te ephone number, and e ma address of the person on the staff of the se f regu atory organ zat on prepared to respond to quest ons and comments on the act on.

F rst Name * Le Anh Last Name * Bu

T te * Counse , NYSE Group Inc.

E ma * [REDACTED]

Te ephone * [REDACTED] Fax [REDACTED]

Signature

Pursuant to the requ rements of the Secur tes Exchange of 1934, NYSE Nat ona , Inc. has duty caused th s f ng to be s gned on ts beha f by the unders gned thereunto duty author zed.

Date 07/28/2022

(tle *)

By Martha Redd ng

Corporate Secretary

(Name *)

NO E Clicking the signature block at right will initiate digitally signing the orm A digital signature is as legally binding as a physical signature and once signed this orm cannot be changed

Martha Redding

Digitally signed by Martha Redding
Date 2022 07 28 16 04 22 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information *

Add Remove View

SEC Sub Am. 1 19b 4 NYSE Nat on a

The self regulatory organization must provide a 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 proposals consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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Ex. 1 SEC Sub Am. 1 19b 4 NYSE Na

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 (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 Advanced 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 (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 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 2- Notices, Written Comments, Transcripts, Other Communications

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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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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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 Sent As Paper Document

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

Ex. 5 SEC Sub Am. 1 19b 4 NYSE Na

The self regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing them 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 (i.e. part amendment) so clearly understandable on its face. Such part amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the 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 National, Inc. (“NYSE National” or the “Exchange”) proposes to modify Rule 7.31 to add subparagraph (f)(4) regarding Directed Orders and make other conforming changes.

This Amendment No. 1 to SR-NYSENAT-2022-06 replaces SR-NYSENAT-2022-06 as originally filed and supersedes such filing in its entirety.

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 change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Le-Anh Bui
Counsel
NYSE Group, Inc.
(212) 656-2225

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

- (a) Purpose

The Exchange proposes to modify Rule 7.31 (Orders and Modifiers) to add new subparagraph (f)(4) to provide for Directed Orders and to make other conforming changes to its Rules in connection with the addition of this new order type on the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Exchange. The Directed Order, as further defined below, would be an order sent to the Exchange to be routed directly to an alternative trading system (“ATS”) specified by an ETP Holder.³

The Exchange proposes to add Rule 7.31(f)(4), which would define a Directed Order as a Limit Order with instructions to route on arrival at its limit price to a specified ATS with which the Exchange maintains an electronic linkage. Proposed Rule 7.31(f)(4) would also provide that Directed Orders would be available for all securities eligible to trade on the Exchange and would not be assigned a working time or interact with interest on the Exchange Book. The Exchange also proposes to provide in Rule 7.31(f)(4) that the ATS to which a Directed Order is routed would be responsible for validating whether the order is eligible to be accepted, and if such ATS determines to reject the order, the order would be cancelled.

Proposed Rule 7.31(f)(4)(A) would provide that a Directed Order must be designated for the Exchange’s Core Trading Session, as defined in Rule 7.34(a)(2).⁴

Proposed Rule 7.31(f)(4)(A) would further provide that a Directed Order must be designated with a Time in Force modifier of IOC⁵ or Day⁶ and would be routed to the specified ATS with such modifier. The Exchange proposes that a Directed Order designated IOC would be traded in whole or in part on the ATS to which it is routed after receipt of the order, and any untraded quantity would be cancelled. The Exchange proposes that a Directed Order designated Day would expire at the end of the Core Trading Session on the day it is entered. Proposed Rule 7.31(f)(1)(A) would also provide that a Directed Order may not be designated with any other modifiers defined in Rule 7.31.

Proposed Rule 7.31(f)(4)(B) would provide that, during a trading halt or pause, an incoming Directed Order would be rejected.

Proposed Rule 7.31(f)(4)(C) would provide that a request to cancel a Directed Order

³ Directed Orders will not be routed to an ATS with which the Exchange has a financial arrangement.

⁴ Because the Exchange proposes that Directed Orders may only be designated for the Core Trading Session, the Exchange also proposes conforming changes to Rule 7.34 (Trading Sessions). Specifically, the Exchange proposes to modify Rule 7.34(c)(1)(E) to provide that Directed Orders designated for the Early Trading Session would be rejected and Rule 7.34(c)(3)(C) to provide that Directed Orders designated for the Late Trading Session would be rejected.

⁵ See Rule 7.31(b)(2), which provides that a Limit Order may be designated with an Immediate-or-Cancel (“IOC”) modifier.

⁶ See Rule 7.31(b)(1), which provides that orders may be designated with a Day modifier, and that an order to buy or sell designated Day, if not traded, will expire at the end of the designated session on the day on which it was entered.

designated Day would be routed to the ATS to which the order was routed.

The Exchange also proposes a conforming change to Rule 7.19 (Pre-Trade Risk Controls). The Exchange proposes to modify Rule 7.19(a)(5), which sets forth the definition of Gross Credit Risk Limit and currently provides that unexecuted orders in the Exchange Book, orders routed on arrival pursuant to Rule 7.37(a)(1), and executed orders are included for purposes of calculating the Gross Credit Risk Limit. The Exchange proposes to modify Rule 7.19(a)(5) to specify that orders routed on arrival pursuant to Rule 7.31(f)(4) would also be included for purposes of the Gross Credit Risk Limit calculation.

The Exchange believes that the proposed rule change would facilitate additional trading opportunities by offering ETP Holders the ability to designate orders submitted to the Exchange to be routed to an ATS of their choosing for execution. The Exchange believes the proposed change would encourage ETP Holders to utilize the Exchange as a venue for order entry and further believes that the proposed change could create efficiencies for ETP Holders by enabling them to send orders that they wish to route to an alternate destination through the Exchange, thereby enabling them to leverage order entry protocols and specifications already configured for their interactions with the Exchange. The Exchange notes that the Directed Order, as proposed, would operate similarly to the Primary Only Order already offered by the Exchange, which is an order that is routed directly to the primary listing market on arrival, without being assigned a working time or interacting with interest on the Exchange Book.⁷ The Exchange also believes that the Directed Order would offer ETP Holders functionality akin to order types and routing options that currently exist on other equities exchanges.⁸

⁷ See Rule 7.31(f)(1). NYSE National also offers variations of the Primary Only Order, including the Primary Only Until 9:45 Order, which is a Limit or Inside Limit Order that, on arrival and until 9:45 a.m. Eastern Time, routes to the primary listing market, and the Primary Only Until 3:55 Order, which is a Limit or Inside Limit Order entered on the Exchange until 3:55 p.m. Eastern Time, after which time the order is cancelled on the Exchange and routed to the primary listing market. See Rules 7.31(f)(2) and (f)(3). The Exchange's affiliated exchanges NYSE American LLC ("NYSE American"), NYSE Arca, Inc. ("NYSE Arca"), and NYSE Chicago, Inc. ("NYSE Chicago") (collectively, the "Affiliated Exchanges") also offer the Primary Only Order and variations thereof. See NYSE American Rules 7.31E(f)(1) - (f)(3); NYSE Arca Rules 7.31-E(f)(1) - (f)(3); NYSE Chicago Rules 7.31(f)(1) - (f)(3).

⁸ See, e.g., Nasdaq Stock Market LLC ("Nasdaq"), Equity 4, Equity Trading Rules, Rule 4758(a)(ix) (defining the Nasdaq Directed Order as an order designed to use a routing strategy under which the order is directed to an automated trading center other than Nasdaq, as directed by the entering party, without checking the Nasdaq Book); Cboe EDGX Exchange, Inc. ("EDGX") Rules 11.8(c)(7) (defining the Routing/Directed ISO order type as an ISO that bypasses the EDGX system and is immediately routed by EDGX to a specified away trading center for execution) and 11.11(g)(2) (providing for the DRT routing option, in which an order is routed to an alternative trading system as instructed); Cboe EDGA Exchange, Inc. ("EDGA") Rules 11.8(c)(7) (defining the

Because of the technology changes associated with this proposed rule change, the Exchange will announce the implementation date by Trader Update.⁹ Subject to effectiveness of this proposed rule change, the Exchange anticipates that the proposed change will be implemented in the third quarter of 2022.

(b) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934,¹⁰ in general, and furthers the objectives of Section 6(b)(5),¹¹ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, 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.

The Exchange believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market and promote just and equitable principles of trade because the Directed Order would offer ETP Holders access to additional trading opportunities by permitting them to designate orders submitted to the

Routing/Directed ISO order type as an ISO that bypasses the EDGA system and is immediately routed by EDGA to a specified away trading center for execution) and 11.11(g)(2) (providing for the DRT routing option, in which an order is routed to an alternative trading system as instructed); Cboe BZX Exchange, Inc. (“BZX”) Rules 11.13(b)(3)(D) (providing for the DRT routing option, in which an order is routed to an alternative trading system as instructed) and 11.13(b)(3)(F) (defining the Directed ISO routing option, under which an ISO order would bypass the BZX system and be sent to a specified away trading center); Cboe BYX Exchange, Inc. (“BYX”) Rules 11.13(b)(3)(D) (providing for the DRT routing option, in which an order is routed to an alternative trading system as instructed) and 11.13(b)(3)(F) (defining the Directed ISO routing option, under which an ISO order would bypass the BYX system and be sent to a specified away trading center). The Exchange also believes that the Directed Order would provide functionality similar to the C-LNK routing strategy formerly offered by EDGA, in which C-LNK orders bypassed EDGA’s local book and routed directly to a specified Single Dealer Platform destination. See Securities Exchange Act Release No. 82904 (March 20, 2018), 83 FR 12995 (March 26, 2018) (SR-CboeEDGA-2018-004) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Expand an Offering Known as Cboe Connect To Provide Connectivity to Single-Dealer Platforms Connected to the Exchange’s Network and To Propose a Per Share Executed Fee for Such Service).

⁹ The Exchange will also provide information regarding the ATS(s) to which a Directed Order may be designated to route by Trader Update.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

Exchange to be routed directly to a specified ATS for execution. The Exchange further believes that the proposed change would remove impediments to and perfect the mechanism of a free and open market by offering ETP Holders the option to send orders that they wish to route to an alternate destination for execution through the Exchange, which would create efficiencies to the extent ETP Holders are able to leverage existing protocols and specifications. Finally, the Exchange notes that the proposed functionality is not novel, as both the Exchange and other exchanges offer their members functionality whereby an exchange routes orders on behalf of a member to a specified trading center without such order interacting with the exchange's book.¹²

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 Exchange believes that the proposed rules governing Directed Orders would promote competition because they would provide for an order type on the Exchange that would facilitate additional trading opportunities for market participants. The Exchange further believes that the proposed rules would allow it to offer its ETP Holders functionality similar to order types and routing options that exist on other equities exchanges, thereby enabling the Exchange to compete with such exchanges.¹³

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 any 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)

The Exchange respectfully requests accelerated effectiveness of this proposed rule change pursuant to Section 19(b)(2) of the Act.¹⁴ The Exchange believes that there is good cause for the Commission to accelerate effectiveness because the proposed rule change is designed to provide functionality similar to order types and routing options currently offered on the Exchange, the Affiliated Exchanges, and other equities exchanges. Specifically, the Exchange believes that the Directed Order, as proposed,

¹² See notes 7 & 8, *supra*.

¹³ See note 8, *supra*.

¹⁴ 15 U.S.C. 78(s)(b)(2).

would function similarly to the Primary Only Order already available on the Exchange and the Affiliated Exchanges and further believes that it offers functionality similar to order types and routing options offered by other equities exchanges.¹⁵ The Exchange does not believe that the proposed rule change would significantly affect the protection of investors or the public interest or impose a significant burden on competition, but would instead facilitate trading opportunities for market participants, including opportunities for order execution on additional trading venues, and would promote competition among equities exchanges offering similar functionalities to their members. The Exchange also believes that the Directed Order could create efficiencies by providing ETP Holders with access to additional routing destinations, which ETP Holders could access through the Exchange's technology infrastructure without having to establish separate connections to other venues. The Exchange further believes that the proposed change—which would simply allow ETP Holders to designate orders to be routed directly to an ATS without interacting with the Exchange Book—does not raise any novel issues, and accelerated effectiveness of the proposed change would permit the Exchange to offer the Directed Order more expeditiously.

In addition, the Exchange anticipates that the technology changes associated with the proposed change could be implemented promptly and that the ATS to which the Exchange initially proposes to route Directed Orders will be available to accept orders in the second quarter of 2022. Accordingly, accelerated effectiveness would permit the Exchange to begin offering the Directed Order to ETP Holders without delay.

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 Change

¹⁵ See notes 7 & 8, supra.

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-NYSENAT-2022-06, Amendment No. 1)

[Date]

Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing of Proposed Rule Change to Modify Rule 7.31 to Add Subparagraph (f)(4) Regarding Directed Orders

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 28, 2022, NYSE National, Inc. (“NYSE National” or the “Exchange”) 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 modify Rule 7.31 to add subparagraph (f)(4) regarding Directed Orders and make other conforming changes. This Amendment No. 1 to SR-NYSENAT-2022-06 replaces SR-NYSENAT-2022-06 as originally filed and supersedes such filing in its entirety. 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

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 7.31 (Orders and Modifiers) to add new subparagraph (f)(4) to provide for Directed Orders and to make other conforming changes to its Rules in connection with the addition of this new order type on the Exchange. The Directed Order, as further defined below, would be an order sent to the Exchange to be routed directly to an alternative trading system ("ATS") specified by an ETP Holder.⁴

The Exchange proposes to add Rule 7.31(f)(4), which would define a Directed Order as a Limit Order with instructions to route on arrival at its limit price to a specified ATS with which the Exchange maintains an electronic linkage. Proposed Rule 7.31(f)(4) would also provide that Directed Orders would be available for all securities eligible to trade on the Exchange and would not be assigned a working time or interact with interest on the Exchange Book. The Exchange also proposes to provide in Rule 7.31(f)(4) that the ATS to which a Directed Order is routed would be responsible for validating whether the order is eligible to be accepted, and if such ATS determines to reject the order, the order would be cancelled.

Proposed Rule 7.31(f)(4)(A) would provide that a Directed Order must be designated for

⁴ Directed Orders will not be routed to an ATS with which the Exchange has a financial arrangement.

the Exchange's Core Trading Session, as defined in Rule 7.34(a)(2).⁵

Proposed Rule 7.31(f)(4)(A) would further provide that a Directed Order must be designated with a Time in Force modifier of IOC⁶ or Day⁷ and would be routed to the specified ATS with such modifier. The Exchange proposes that a Directed Order designated IOC would be traded in whole or in part on the ATS to which it is routed after receipt of the order, and any untraded quantity would be cancelled. The Exchange proposes that a Directed Order designated Day would expire at the end of the Core Trading Session on the day it is entered. Proposed Rule 7.31(f)(1)(A) would also provide that a Directed Order may not be designated with any other modifiers defined in Rule 7.31.

Proposed Rule 7.31(f)(4)(B) would provide that, during a trading halt or pause, an incoming Directed Order would be rejected.

Proposed Rule 7.31(f)(4)(C) would provide that a request to cancel a Directed Order designated Day would be routed to the ATS to which the order was routed.

The Exchange also proposes a conforming change to Rule 7.19 (Pre-Trade Risk Controls). The Exchange proposes to modify Rule 7.19(a)(5), which sets forth the definition of Gross Credit Risk Limit and currently provides that unexecuted orders in the Exchange Book,

⁵ Because the Exchange proposes that Directed Orders may only be designated for the Core Trading Session, the Exchange also proposes conforming changes to Rule 7.34 (Trading Sessions). Specifically, the Exchange proposes to modify Rule 7.34(c)(1)(E) to provide that Directed Orders designated for the Early Trading Session would be rejected and Rule 7.34(c)(3)(C) to provide that Directed Orders designated for the Late Trading Session would be rejected.

⁶ See Rule 7.31(b)(2), which provides that a Limit Order may be designated with an Immediate-or-Cancel ("IOC") modifier.

⁷ See Rule 7.31(b)(1), which provides that orders may be designated with a Day modifier, and that an order to buy or sell designated Day, if not traded, will expire at the end of the designated session on the day on which it was entered.

orders routed on arrival pursuant to Rule 7.37(a)(1), and executed orders are included for purposes of calculating the Gross Credit Risk Limit. The Exchange proposes to modify Rule 7.19(a)(5) to specify that orders routed on arrival pursuant to Rule 7.31(f)(4) would also be included for purposes of the Gross Credit Risk Limit calculation.

The Exchange believes that the proposed rule change would facilitate additional trading opportunities by offering ETP Holders the ability to designate orders submitted to the Exchange to be routed to an ATS of their choosing for execution. The Exchange believes the proposed change would encourage ETP Holders to utilize the Exchange as a venue for order entry and further believes that the proposed change could create efficiencies for ETP Holders by enabling them to send orders that they wish to route to an alternate destination through the Exchange, thereby enabling them to leverage order entry protocols and specifications already configured for their interactions with the Exchange. The Exchange notes that the Directed Order, as proposed, would operate similarly to the Primary Only Order already offered by the Exchange, which is an order that is routed directly to the primary listing market on arrival, without being assigned a working time or interacting with interest on the Exchange Book.⁸ The Exchange also believes that the Directed Order would offer ETP Holders functionality akin to order types and routing

⁸ See Rule 7.31(f)(1). NYSE National also offers variations of the Primary Only Order, including the Primary Only Until 9:45 Order, which is a Limit or Inside Limit Order that, on arrival and until 9:45 a.m. Eastern Time, routes to the primary listing market, and the Primary Only Until 3:55 Order, which is a Limit or Inside Limit Order entered on the Exchange until 3:55 p.m. Eastern Time, after which time the order is cancelled on the Exchange and routed to the primary listing market. See Rules 7.31(f)(2) and (f)(3). The Exchange's affiliated exchanges NYSE American LLC ("NYSE American"), NYSE Arca, Inc. ("NYSE Arca"), and NYSE Chicago, Inc. ("NYSE Chicago") (collectively, the "Affiliated Exchanges") also offer the Primary Only Order and variations thereof. See NYSE American Rules 7.31E(f)(1) - (f)(3); NYSE Arca Rules 7.31-E(f)(1) - (f)(3); NYSE Chicago Rules 7.31(f)(1) - (f)(3).

options that currently exist on other equities exchanges.⁹

Because of the technology changes associated with this proposed rule change, the Exchange will announce the implementation date by Trader Update.¹⁰ Subject to effectiveness of this proposed rule change, the Exchange anticipates that the proposed change will be implemented in the third quarter of 2022.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act

⁹ See, e.g., Nasdaq Stock Market LLC (“Nasdaq”), Equity 4, Equity Trading Rules, Rule 4758(a)(ix) (defining the Nasdaq Directed Order as an order designed to use a routing strategy under which the order is directed to an automated trading center other than Nasdaq, as directed by the entering party, without checking the Nasdaq Book); Cboe EDGX Exchange, Inc. (“EDGX”) Rules 11.8(c)(7) (defining the Routing/Directed ISO order type as an ISO that bypasses the EDGX system and is immediately routed by EDGX to a specified away trading center for execution) and 11.11(g)(2) (providing for the DRT routing option, in which an order is routed to an alternative trading system as instructed); Cboe EDGA Exchange, Inc. (“EDGA”) Rules 11.8(c)(7) (defining the Routing/Directed ISO order type as an ISO that bypasses the EDGA system and is immediately routed by EDGA to a specified away trading center for execution) and 11.11(g)(2) (providing for the DRT routing option, in which an order is routed to an alternative trading system as instructed); Cboe BZX Exchange, Inc. (“BZX”) Rules 11.13(b)(3)(D) (providing for the DRT routing option, in which an order is routed to an alternative trading system as instructed) and 11.13(b)(3)(F) (defining the Directed ISO routing option, under which an ISO order would bypass the BZX system and be sent to a specified away trading center); Cboe BYX Exchange, Inc. (“BYX”) Rules 11.13(b)(3)(D) (providing for the DRT routing option, in which an order is routed to an alternative trading system as instructed) and 11.13(b)(3)(F) (defining the Directed ISO routing option, under which an ISO order would bypass the BYX system and be sent to a specified away trading center). The Exchange also believes that the Directed Order would provide functionality similar to the C-LNK routing strategy formerly offered by EDGA, in which C-LNK orders bypassed EDGA’s local book and routed directly to a specified Single Dealer Platform destination. See Securities Exchange Act Release No. 82904 (March 20, 2018), 83 FR 12995 (March 26, 2018) (SR-CboeEDGA-2018-004) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Expand an Offering Known as Cboe Connect To Provide Connectivity to Single-Dealer Platforms Connected to the Exchange’s Network and To Propose a Per Share Executed Fee for Such Service).

¹⁰ The Exchange will also provide information regarding the ATS(s) to which a Directed Order may be designated to route by Trader Update.

of 1934,¹¹ in general, and furthers the objectives of Section 6(b)(5),¹² in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, 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.

The Exchange believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market and promote just and equitable principles of trade because the Directed Order would offer ETP Holders access to additional trading opportunities by permitting them to designate orders submitted to the Exchange to be routed directly to a specified ATS for execution. The Exchange further believes that the proposed change would remove impediments to and perfect the mechanism of a free and open market by offering ETP Holders the option to send orders that they wish to route to an alternate destination for execution through the Exchange, which would create efficiencies to the extent ETP Holders are able to leverage existing protocols and specifications. Finally, the Exchange notes that the proposed functionality is not novel, as both the Exchange and other exchanges offer their members functionality whereby an exchange routes orders on behalf of a member to a specified trading center without such order interacting with the exchange's book.¹³

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

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ See notes 8 & 9, supra.

competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed rules governing Directed Orders would promote competition because they would provide for an order type on the Exchange that would facilitate additional trading opportunities for market participants. The Exchange further believes that the proposed rules would allow it to offer its ETP Holders functionality similar to order types and routing options that exist on other equities exchanges, thereby enabling the Exchange to compete with such exchanges.¹⁴

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:

¹⁴ See note 9, supra.

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-NYSENAT-2022-06 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NYSENAT-2022-06. 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-NYSENAT-2022-06 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.¹⁵

Eduardo A. Aleman
Deputy Secretary

¹⁵ 17 CFR 200.30-3(a)(12).

Additions: Underlined
Deletions: [Bracketed]

Rules of NYSE National, Inc.

Rule 7 EQUITIES TRADING

Section 1. General Provisions

Rule 7.19. Pre-Trade Risk Controls

(a) The following are definitions for purposes of this Rule:

(5) “Gross Credit Risk Limit” means a pre-established maximum daily dollar amount for purchases and sales across all symbols, where both buy and sell orders are counted as positive values. For purposes of calculating the Gross Credit Risk Limit, unexecuted orders in the Exchange Book, orders routed on arrival pursuant to Rules 7.31(f)(4) or 7.37(a)(1), and executed orders are included.

Section 3. Exchange Trading

Rule 7.31. Orders and Modifiers

(f) Orders with Specific Routing Instructions

(4) Directed Order. A Limit Order with instructions to route on arrival at its limit price to a specified alternative trading system with which the Exchange maintains an electronic linkage. Directed Orders are available for all securities eligible to trade on the Exchange. A Directed Order will not be assigned a working time or interact with interest on the Exchange Book. The alternative trading system to which the Directed Order is routed will validate whether the order is eligible to be accepted, and if it rejects the order, the order will be cancelled.

(A) A Directed Order must be designated for the Core Trading Session. A Directed Order must be designated as IOC or Day, and will be routed as such, and may not be combined

with any other modifiers set forth in this Rule.

(B) During a trading halt or pause, an incoming Directed Order will be rejected.

(C) A request to cancel a Directed Order designated Day will be routed to the alternative trading system to which the order was routed.

Rule 7.34. Trading Sessions

(c) Orders Permitted in Each Session.

(1) Early Trading Session. Unless otherwise specified in paragraphs (c)(1)(A) - (F), orders and modifiers defined in Rule 7.31 that are designated for the Early Trading Session are eligible to participate in the Early Trading Session.

(E) MOO Orders, MOC Orders, LOC Orders, [and] Primary Only Orders, and Directed Orders designated for the Early Trading Session will be rejected.

(3) Late Trading Session. Unless otherwise specified in paragraphs (c)(3)(A) - (C), the orders and modifiers defined in Rule 7.31 that are designated for the Late Trading Session are eligible to participate in the Late Trading Session:

(C) MOO Orders, MOC Orders, LOC Orders, [and] Primary Only Orders, and Directed Orders designated for the Late Trading Session will be rejected.
