

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * 24 | | SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4 | | File No. * SR 2025 - * 52 Amendment No. (req. for Amendments *) | |
| Filing by NYSE Arca, Inc. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934 | | | | | |
| Initial * <input checked="" type="checkbox"/> | | Amendment * <input type="checkbox"/> | | Withdrawal <input type="checkbox"/> | |
| Section 19(b)(2) * <input type="checkbox"/> | | Section 19(b)(3)(A) * <input checked="" 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 checked="" 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"/> | | | Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/> | | |
| Exhibit 2 Sent As Paper Document <input type="checkbox"/> | | | Exhibit 3 Sent As Paper Document <input type="checkbox"/> | | |
| Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>Proposal to amend the NYSE Arca Options Fee Schedule</div> | | | | | |
| 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 * Kathleen Last Name * Murphy Title * Senior Counsel, NYSE Group Inc. E-mail * Kathleen.Murphy@ice.com Telephone * (212) 656-4841 Fax (212) 656-8101 | | | | | |
| Signature Pursuant to the requirements of the Securities Exchange of 1934, NYSE Arca, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date 07/16/2025 (Title *) By Patrick Troy Associate General Counsel (Name *) NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed. <div>Patrick TroyDigitally signed by Patrick Troy Date: 2025.07.16 16:20:51 -04'00'</div> | | | | | |

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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Re-file 19b4 Arca ORF July-Dec 2025

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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Re-file Ex 1 Arca ORF July-Dec 2025

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 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 (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 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.

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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

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Re-file Ex. 5 Arca ORF July-Dec 2025

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.

1. Text of the Proposed Rule Change

- (a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) proposes to amend the NYSE Arca Options Fee Schedule (“Fee Schedule”) regarding the Options Regulatory Fee (“ORF”).

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 rule change are complete.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Kathleen E. Murphy
Senior Counsel
NYSE Group, Inc.
(212) 656- 4841

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

- (a) Purpose

The Exchange proposes to amend the Fee Schedule to temporarily decrease the ORF from \$0.0038 per contract to \$0.0023 per contract, effective July 16, 2025.³

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ On July 1, 2025, the Exchange filed to amend the Fee Schedule (NYSEARCA-2025-49) and withdrew such filing on July 16, 2025.

Background

As a general matter, the Exchange may only use regulatory funds such as the ORF “to fund the legal, regulatory, and surveillance operations” of the Exchange.⁴ More specifically, the ORF is designed to recover a material portion, but not all, of the Exchange’s costs for the supervision and regulation of OTP Holders and OTP Firms (collectively, “OTP Holders”), including the Exchange’s regulatory program and legal expenses associated with options regulation, such as the costs related to in-house staff, third-party service providers, and technology that facilitate regulatory functions such as surveillance, investigation, examinations, and enforcement (collectively, the “ORF Costs”). ORF funds may also be used for indirect expenses such as human resources and other administrative costs. The Exchange monitors the amount of revenue collected from the ORF to ensure that this revenue, in combination with other regulatory fees and fines, does not exceed regulatory costs.

The ORF is assessed on OTP Holders for options transactions that are cleared by the OTP Holder through the Options Clearing Corporation (“OCC”) in the Customer range regardless of the exchange on which the transaction occurs and is collected from OTP Holder clearing firms by the OCC on behalf of NYSE Arca.⁵ All options transactions must clear via a clearing firm and such clearing firms can then choose to pass through all, a portion, or none of the cost of the ORF to its customers, i.e., the entering firms. The Exchange notes that the costs relating to monitoring OTP Holders with respect to Customer trading activity are generally higher than the costs associated with monitoring OTP Holders that do not engage in Customer trading activity, which tends to be more automated and less labor-intensive. By contrast, regulating OTP Holders that engage in Customer trading activity is generally more labor intensive and requires a greater expenditure of human and technical resources as the Exchange needs to review not only the trading activity on behalf of Customers, but also the OTP Holder’s relationship with its Customers via more labor-intensive exam-based programs.⁶ As a result, the costs associated with administering the customer component of the Exchange’s overall regulatory program are materially higher than the costs associated with administering the

⁴ The Exchange considers surveillance operations part of regulatory operations. The limitation on the use of regulatory funds also provides that they shall not be distributed. See Bylaws of NYSE Arca, Inc., Art. II, Sec. 2.03.

⁵ See Fee Schedule, NYSE Arca GENERAL OPTIONS and TRADING PERMIT (OTP) FEES, Regulatory Fees, Options Regulatory Fee (“ORF”), available here, https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE_Arca_Options_Fee_Schedule.pdf. The Exchange uses reports from OCC when assessing and collecting the ORF. The ORF is not assessed on outbound linkage trades. An OTP Holder is not assessed the fee until it has satisfied applicable technological requirements necessary to commence operations on NYSE Arca. See id.

⁶ The Exchange notes that many of the Exchange’s market surveillance programs require the Exchange to look at and evaluate activity across all options markets, such as surveillance for position limit violations, manipulation, front-running, and contrary exercise advice violations/expiring exercise declarations. The Exchange and other options SROs are parties to a 17d–2 agreement allocating among the SROs regulatory responsibilities relating to compliance by the common members with rules for expiring exercise declarations, position limits, OCC trade adjustments, and Large Option Position Report reviews. See, e.g., Securities Exchange Act Release No. 85097 (February 11, 2019), 84 FR 4871 (February 19, 2019).

non-customer component (e.g., OTP Holder proprietary transactions) of its regulatory program.

Because the ORF is based on options transactions volume, the amount of ORF collected is variable. For example, if options transactions reported to OCC in a given month increase, the ORF collected from OTP Holders will likely increase as well. Similarly, if options transactions reported to OCC in a given month decrease, the ORF collected from OTP Holders will likely decrease as well. Accordingly, the Exchange monitors the amount of ORF collected to ensure that it does not exceed a material portion of ORF Costs. If the Exchange determines the amount of ORF collected exceeds or may exceed a material portion of ORF Costs, the Exchange will, as appropriate, adjust the ORF by submitting a fee change filing to the Securities and Exchange Commission (the “Commission”). Exchange rules establish that market participants must be notified of any change in the ORF via Trader Update at least 30 calendar days prior to the effective date of the change.⁷

Proposed Rule Change

Based on the Exchange’s recent review of regulatory costs, ORF collections, and options transaction volume, the Exchange proposes to temporarily decrease the amount of ORF collected from \$0.0038 per contract to \$0.0023 per contract, effective July 1, 2025.⁸ This proposed decrease will help ensure that the amount collected from the ORF, in combination with other regulatory fees and fines, does not exceed the Exchange’s total regulatory costs. On May 30, 2025, the Exchange notified OTP Holders of the proposed change via Trader Update (i.e., at least 30 calendar days prior to the July 1st operative date) to afford market participants sufficient opportunity to configure their systems to account properly for the modified ORF.⁹

The proposed change to the ORF is based on the Exchange’s analysis of recent options volumes and its regulatory costs. The Exchange believes that, if the ORF is not adjusted, the ORF revenue to the Exchange year over year could exceed a material portion of the Exchange’s ORF Costs. Over the past few years, the options industry has experienced high options trading volumes and volatility and, although the Exchange waived the ORF for the last two months of 2024,¹⁰ the persisting increased options volumes have impacted the Exchange’s ORF collection.

⁷ See Fee Schedule, *supra* note 5.

⁸ The Exchange proposes to have an automatic sunset of the proposed fee on December 31, 2025. See proposed Fee Schedule, NYSE Arca GENERAL OPTIONS and TRADING PERMIT (OTP) FEES, Regulatory Fees, Options Regulatory Fee (“ORF”).

⁹ See <https://www.nyse.com/trader-update/history#110000949347>.

¹⁰ See Securities Exchange Act Release No. 101868 (December 10, 2024), 89 FR 101650 (December 16, 2024) (SR-NYSEARCA-2024-90) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the NYSE Arca Options Fee Schedule To Modify the Options Regulatory Fee).

The table below reflects industry data from OCC and illustrates that both total average daily volume and customer average daily volume in 2025 increased over the already elevated levels in 2023 and 2024.¹¹

| | 2023 | 2024 | 2025 YTD |
|--------------|-------------|-------------|-----------------|
| Customer ADV | 35,327,417 | 39,365,049 | 46,831,086 |
| Total ADV | 40,368,590 | 44,360,426 | 53,043,204 |

In addition, as shown in the table below, during 2025, options trading volumes have remained elevated and volatility has persisted.¹²

| | Jan. 2025 | Feb. 2025 | Mar. 2025 | Apr. 2025 | May 2025 |
|--------------|------------------|------------------|------------------|------------------|-----------------|
| Customer ADV | 46,758,284 | 48,508,333 | 46,281,134 | 47,786,196 | 46,234,519 |
| Total ADV | 53,134,932 | 54,563,396 | 53,182,376 | 55,339,630 | 51,351,579 |

Because of the sustained impact of the trading volumes that have persisted through mid-2025, along with the difficulty of predicting whether and when volumes may return to historical levels, the Exchange proposes to temporarily decrease the ORF from July 1 through December 31, 2025, to help ensure that ORF collection will not exceed ORF Costs for 2025.¹³ The Exchange cannot predict whether options volumes will remain at these levels going forward and projections for future regulatory costs are estimated, preliminary, and may change. However, the Exchange believes that the proposed change to the ORF would allow the Exchange to continue to monitor the amount collected from the ORF to help ensure that ORF collection, in combination with other regulatory fees and fines, does not exceed regulatory costs for 2025.

Potential ORF Reform

The Exchange appreciates the evolving changes in the markets and regulatory environment and, in connection with industry and other feedback, has been evaluating the

¹¹ The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics>. The volume discussed in this filing is based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of ETF-based options, in contract sides.

¹² See id.

¹³ After December 31, 2025, the Exchange proposes that the ORF rate automatically revert to \$0.0038 per contract (the “sunset provision”). See proposed Fee Schedule, NYSE Arca GENERAL OPTIONS and TRADING PERMIT (OTP) FEES, Regulatory Fees, Options Regulatory Fee (“ORF”).

current methodologies and practices for the assessment and collection of ORF. The Exchange believes ORF reform is appropriate, including moving to a model in which ORF would be assessed only to transactions occurring on the Exchange. This would allow for consistent industry billing. The Exchange is committed to switching to a new, modified model as soon as a consistent framework has been established with the SEC, adopted by all the options exchanges, and necessary regulatory filings submitted. Until that time, the Exchange believes it is fair and reasonable to temporarily decrease the current ORF under the existing model.

The Exchange also believes that the potential for ORF reform provides further support for the sunset provision included in this proposal because it will allow the Exchange to discuss its anticipated, or potential alternative, ORF methodology with OTP Holders between July 1 and December 31, 2025 (i.e., the sunset date).¹⁴

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b)¹⁵ of the Act, in general, and Section 6(b)(4) and (5)¹⁶ of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers, or dealers.

The Proposal is Reasonable

The Exchange believes the proposed rule change is reasonable because it would help ensure that collections from the ORF do not exceed a material portion of the Exchange's ORF Costs. As noted above, the ORF is designed to recover a material portion, but not all, of the Exchange's ORF Costs.

Although there can be no assurance that the Exchange's final costs for 2025 will not differ materially from its expectations and prior practice, nor can the Exchange predict with certainty whether options volume will remain at current or similar levels going forward, the Exchange believes that the amount collected based on the current ORF rate, when combined with regulatory fees and fines, may result in collections in excess of the estimated ORF Costs for the year. Particularly, as noted above, the options market has continued to experience elevated volumes and volatility in 2025, thereby resulting in higher ORF collections than projected. The Exchange therefore believes that the proposed temporary decrease to the ORF is reasonable because it would help ensure that ORF collection does not exceed the ORF Costs for 2025. Particularly, the Exchange believes that this temporary reduction in the ORF, taken together with the Exchange's other regulatory fees and fines, would allow the Exchange to continue covering a material

¹⁴ The Exchange notes that the existence of the proposed sunset date would not preclude the Exchange from filing to modify its ORF methodology prior to that date.

¹⁵ 15 U.S.C. 78f(b).

¹⁶ 15 U.S.C. 78f(b)(4) and (5).

portion of ORF Costs, while lessening the potential for generating excess funds that may otherwise occur using the current rate. Per the sunset provision, the Exchange proposes to resume assessing its current ORF (i.e., \$0.0038 per contract) after December 31, 2025. The Exchange believes that resumption of the ORF at the current rate on January 1, 2026 (unless the Exchange determines it necessary to adjust the ORF rate to help ensure that ORF collections do not exceed ORF Costs) is reasonable because it would permit the Exchange to resume collecting an ORF that is designed to recover a material portion, but not all, of the Exchange's projected ORF Costs. The Exchange's proposal to revert to its current ORF rate after December 31, 2025 is based on the Exchange's estimated projections for its regulatory costs, which are currently projected to increase in 2026, balanced with the increase in options volumes that has persisted into 2025 and that may continue into 2026.

The Exchange will continue to monitor ORF Costs in advance of the sunset date (i.e., December 31, 2025) and, if necessary, based on projected volumes and ORF Costs, will adjust the ORF rate to help ensure that ORF collections would not exceed a material portion of ORF Costs, adjust the ORF by submitting a proposed rule change and notifying OTP Holders of such change by Trader Update.

The Proposal is an Equitable Allocation of Fees

The Exchange believes its proposal is an equitable allocation of fees among its market participants. The Exchange believes that the proposed rule change would not place certain market participants at an unfair disadvantage because it would apply equally to all OTP Holders on all their transactions that clear in the Customer range at the OCC and would allow the Exchange to continue to monitor the amount collected from the ORF to help ensure that ORF collection, in combination with other regulatory fees and fines, does not exceed regulatory costs. The Exchange also believes that reverting to the existing ORF after December 31, 2025, unless the Exchange determines it necessary to adjust the ORF to ensure that ORF collections do not exceed a material portion of ORF Costs, is equitable because the ORF would continue to apply equally to all OTP Holders on options transactions in the Customer range, at a rate designed to recover a material portion, but not all, of the Exchange's projected ORF Costs, based on current projections that such costs will increase in 2026.

The Proposed Fee is Not Unfairly Discriminatory

The Exchange believes that the proposal is not unfairly discriminatory. The Exchange believes that the proposed temporary decrease to the ORF rate would not place certain market participants at an unfair disadvantage because it would apply to all OTP Holders subject to the ORF and would allow the Exchange to continue to monitor the amount collected from the ORF to help ensure that ORF collection, in combination with other regulatory fees and fines, does not exceed regulatory costs. The Exchange also has provided all such OTP Holders with 30 days' advance notice of the planned change to the ORF. Further, the Exchange believes that reverting to the existing ORF after December 31, 2025 (i.e., the sunset date), unless the Exchange determines it necessary to

adjust the ORF to ensure that ORF collections do not exceed a material portion of ORF Costs, is not unfairly discriminatory because the Exchange would resume assessing the ORF (at its current rate) equally to all OTP Holders based on their transactions that clear in the Customer range at the OCC.

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.

Intramarket Competition. The Exchange believes the proposed change would not impose an undue burden on intramarket competition because the ORF is charged to all OTP Holders on all their transactions that clear in the Customer range at the OCC; thus, the amount of ORF imposed is based on the amount of Customer volume transacted. The Exchange believes that the proposed temporary decrease of the ORF would not place certain market participants at an unfair disadvantage because all options transactions must clear via a clearing firm. Such clearing firms can then choose to pass through all, a portion, or none of the cost of the ORF to its customers, i.e., the entering firms. The ORF is collected from OTP Holder clearing firms by the OCC on behalf of the Exchange and is assessed on all options transactions cleared at the OCC in the Customer range.

The Exchange also believes that reverting to the existing ORF after December 31, 2025 (i.e., the sunset date) -- unless the Exchange determines it necessary at that time to adjust the ORF to ensure that ORF collections do not exceed a material portion of ORF Costs -- would not impose an undue burden on competition because it would permit the Exchange to resume assessing an ORF that is designed to recover a material portion, but not all, of the Exchange's projected ORF Costs, based on current projections that such costs will increase in 2026. As is the case today, the proposed reduced ORF rate would apply to all OTP Holders on their options transactions that clear in the Customer range at the OCC, which rate will automatically revert to the current ORF rate after December 31, 2025.

Intermarket Competition. The proposed fee change is not designed to address any competitive issues. Rather, the proposed change is designed to help the Exchange adequately fund its regulatory activities while seeking to ensure that total collections from regulatory fees do not exceed total regulatory costs.

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

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated

Effectiveness Pursuant to Section 19(b)(2)

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act¹⁷ and subparagraph (f)(2) of Rule 19b-4¹⁸ because it establishes a due, fee, or other charge imposed by the Exchange. At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) of the Act to determine whether the proposed rule change should be approved or disapproved.¹⁹

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 Publication in the Federal Register

Exhibit 5 – Amendment to the Exchange’s Fee Schedule

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁸ 17 CFR 240.19b-4(f)(2).

¹⁹ 15 U.S.C. 78s(b)(2)(B).

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NYSEARCA-2025-52)

[Date]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the NYSE Arca Options Fee Schedule

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 July 16, 2025, NYSE Arca, Inc. (“NYSE Arca” 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 amend the NYSE Arca Options Fee Schedule (“Fee Schedule”) regarding the Options Regulatory Fee (“ORF”). 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

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 amend the Fee Schedule to temporarily decrease the ORF from \$0.0038 per contract to \$0.0023 per contract, effective July 16, 2025.⁴

Background

As a general matter, the Exchange may only use regulatory funds such as the ORF “to fund the legal, regulatory, and surveillance operations” of the Exchange.⁵ More specifically, the ORF is designed to recover a material portion, but not all, of the Exchange’s costs for the supervision and regulation of OTP Holders and OTP Firms (collectively, “OTP Holders”), including the Exchange’s regulatory program and legal expenses associated with options regulation, such as the costs related to in-house staff, third-party service providers, and technology that facilitate regulatory functions such as surveillance, investigation, examinations, and enforcement (collectively, the “ORF Costs”). ORF funds may also be used for indirect expenses such as human resources and other administrative costs. The Exchange monitors the amount of revenue collected from the ORF to ensure that this revenue, in combination with other regulatory fees and fines, does not exceed regulatory costs.

⁴ On July 1, 2025, the Exchange filed to amend the Fee Schedule (NYSEARCA-2025-49) and withdrew such filing on July 16, 2025.

⁵ The Exchange considers surveillance operations part of regulatory operations. The limitation on the use of regulatory funds also provides that they shall not be distributed. See Bylaws of NYSE Arca, Inc., Art. II, Sec. 2.03.

The ORF is assessed on OTP Holders for options transactions that are cleared by the OTP Holder through the Options Clearing Corporation (“OCC”) in the Customer range regardless of the exchange on which the transaction occurs and is collected from OTP Holder clearing firms by the OCC on behalf of NYSE Arca.⁶ All options transactions must clear via a clearing firm and such clearing firms can then choose to pass through all, a portion, or none of the cost of the ORF to its customers, i.e., the entering firms. The Exchange notes that the costs relating to monitoring OTP Holders with respect to Customer trading activity are generally higher than the costs associated with monitoring OTP Holders that do not engage in Customer trading activity, which tends to be more automated and less labor-intensive. By contrast, regulating OTP Holders that engage in Customer trading activity is generally more labor intensive and requires a greater expenditure of human and technical resources as the Exchange needs to review not only the trading activity on behalf of Customers, but also the OTP Holder’s relationship with its Customers via more labor-intensive exam-based programs.⁷ As a result, the costs associated with administering the customer component of the Exchange’s overall regulatory program are materially higher than the costs associated with administering the non-customer component (e.g., OTP Holder proprietary transactions) of its regulatory program.

⁶ See Fee Schedule, NYSE Arca GENERAL OPTIONS and TRADING PERMIT (OTP) FEES, Regulatory Fees, Options Regulatory Fee (“ORF”), [available here](https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE_Arca_Options_Fee_Schedule.pdf), https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE_Arca_Options_Fee_Schedule.pdf. The Exchange uses reports from OCC when assessing and collecting the ORF. The ORF is not assessed on outbound linkage trades. An OTP Holder is not assessed the fee until it has satisfied applicable technological requirements necessary to commence operations on NYSE Arca. See id.

⁷ The Exchange notes that many of the Exchange’s market surveillance programs require the Exchange to look at and evaluate activity across all options markets, such as surveillance for position limit violations, manipulation, front-running, and contrary exercise advice violations/expiring exercise declarations. The Exchange and other options SROs are parties to a 17d–2 agreement allocating among the SROs regulatory responsibilities relating to compliance by the common members with rules for expiring exercise declarations, position limits, OCC trade adjustments, and Large Option Position Report reviews. See, e.g., Securities Exchange Act Release No. 85097 (February 11, 2019), 84 FR 4871 (February 19, 2019).

Because the ORF is based on options transactions volume, the amount of ORF collected is variable. For example, if options transactions reported to OCC in a given month increase, the ORF collected from OTP Holders will likely increase as well. Similarly, if options transactions reported to OCC in a given month decrease, the ORF collected from OTP Holders will likely decrease as well. Accordingly, the Exchange monitors the amount of ORF collected to ensure that it does not exceed a material portion of ORF Costs. If the Exchange determines the amount of ORF collected exceeds or may exceed a material portion of ORF Costs, the Exchange will, as appropriate, adjust the ORF by submitting a fee change filing to the Securities and Exchange Commission (the “Commission”). Exchange rules establish that market participants must be notified of any change in the ORF via Trader Update at least 30 calendar days prior to the effective date of the change.⁸

Proposed Rule Change

Based on the Exchange’s recent review of regulatory costs, ORF collections, and options transaction volume, the Exchange proposes to temporarily decrease the amount of ORF collected from \$0.0038 per contract to \$0.0023 per contract, effective July 1, 2025.⁹ This proposed decrease will help ensure that the amount collected from the ORF, in combination with other regulatory fees and fines, does not exceed the Exchange’s total regulatory costs. On May 30, 2025, the Exchange notified OTP Holders of the proposed change via Trader Update (i.e., at least 30 calendar days prior to the July 1st operative date) to afford market participants sufficient opportunity to configure their systems to account properly for the modified ORF.¹⁰

⁸ See Fee Schedule, supra note 6.

⁹ The Exchange proposes to have an automatic sunset of the proposed fee on December 31, 2025. See proposed Fee Schedule, NYSE Arca GENERAL OPTIONS and TRADING PERMIT (OTP) FEES, Regulatory Fees, Options Regulatory Fee (“ORF”).

¹⁰ See <https://www.nyse.com/trader-update/history#110000949347>.

The proposed change to the ORF is based on the Exchange's analysis of recent options volumes and its regulatory costs. The Exchange believes that, if the ORF is not adjusted, the ORF revenue to the Exchange year over year could exceed a material portion of the Exchange's ORF Costs. Over the past few years, the options industry has experienced high options trading volumes and volatility and, although the Exchange waived the ORF for the last two months of 2024,¹¹ the persisting increased options volumes have impacted the Exchange's ORF collection.

The table below reflects industry data from OCC and illustrates that both total average daily volume and customer average daily volume in 2025 increased over the already elevated levels in 2023 and 2024.¹²

| | 2023 | 2024 | 2025 YTD |
|--------------|-------------|-------------|-----------------|
| Customer ADV | 35,327,417 | 39,365,049 | 46,831,086 |
| Total ADV | 40,368,590 | 44,360,426 | 53,043,204 |

In addition, as shown in the table below, during 2025, options trading volumes have remained elevated and volatility has persisted.¹³

| | Jan. 2025 | Feb. 2025 | Mar. 2025 | Apr. 2025 | May 2025 |
|--------------|------------------|------------------|------------------|------------------|-----------------|
| Customer ADV | 46,758,284 | 48,508,333 | 46,281,134 | 47,786,196 | 46,234,519 |
| Total ADV | 53,134,932 | 54,563,396 | 53,182,376 | 55,339,630 | 51,351,579 |

¹¹ See Securities Exchange Act Release No. 101868 (December 10, 2024), 89 FR 101650 (December 16, 2024) (SR-NYSEARCA-2024-90) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the NYSE Arca Options Fee Schedule To Modify the Options Regulatory Fee).

¹² The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics>. The volume discussed in this filing is based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of ETF-based options, in contract sides.

¹³ See id.

Because of the sustained impact of the trading volumes that have persisted through mid-2025, along with the difficulty of predicting whether and when volumes may return to historical levels, the Exchange proposes to temporarily decrease the ORF from July 1 through December 31, 2025, to help ensure that ORF collection will not exceed ORF Costs for 2025.¹⁴ The Exchange cannot predict whether options volumes will remain at these levels going forward and projections for future regulatory costs are estimated, preliminary, and may change. However, the Exchange believes that the proposed change to the ORF would allow the Exchange to continue to monitor the amount collected from the ORF to help ensure that ORF collection, in combination with other regulatory fees and fines, does not exceed regulatory costs for 2025.

Potential ORF Reform

The Exchange appreciates the evolving changes in the markets and regulatory environment and, in connection with industry and other feedback, has been evaluating the current methodologies and practices for the assessment and collection of ORF. The Exchange believes ORF reform is appropriate, including moving to a model in which ORF would be assessed only to transactions occurring on the Exchange. This would allow for consistent industry billing. The Exchange is committed to switching to a new, modified model as soon as a consistent framework has been established with the SEC, adopted by all the options exchanges, and necessary regulatory filings submitted. Until that time, the Exchange believes it is fair and reasonable to temporarily decrease the current ORF under the existing model.

¹⁴ After December 31, 2025, the Exchange proposes that the ORF rate automatically revert to \$0.0038 per contract (the “sunset provision”). See proposed Fee Schedule, NYSE Arca GENERAL OPTIONS and TRADING PERMIT (OTP) FEES, Regulatory Fees, Options Regulatory Fee (“ORF”).

The Exchange also believes that the potential for ORF reform provides further support for the sunset provision included in this proposal because it will allow the Exchange to discuss its anticipated, or potential alternative, ORF methodology with OTP Holders between July 1 and December 31, 2025 (i.e., the sunset date).¹⁵

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b)¹⁶ of the Act, in general, and Section 6(b)(4) and (5)¹⁷ of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers, or dealers.

The Proposal is Reasonable

The Exchange believes the proposed rule change is reasonable because it would help ensure that collections from the ORF do not exceed a material portion of the Exchange's ORF Costs. As noted above, the ORF is designed to recover a material portion, but not all, of the Exchange's ORF Costs.

Although there can be no assurance that the Exchange's final costs for 2025 will not differ materially from its expectations and prior practice, nor can the Exchange predict with certainty whether options volume will remain at current or similar levels going forward, the Exchange believes that the amount collected based on the current ORF rate, when combined with regulatory fees and fines, may result in collections in excess of the estimated ORF Costs for the

¹⁵ The Exchange notes that the existence of the proposed sunset date would not preclude the Exchange from filing to modify its ORF methodology prior to that date.

¹⁶ 15 U.S.C. 78f(b).

¹⁷ 15 U.S.C. 78f(b)(4) and (5).

year. Particularly, as noted above, the options market has continued to experience elevated volumes and volatility in 2025, thereby resulting in higher ORF collections than projected. The Exchange therefore believes that the proposed temporary decrease to the ORF is reasonable because it would help ensure that ORF collection does not exceed the ORF Costs for 2025. Particularly, the Exchange believes that this temporary reduction in the ORF, taken together with the Exchange's other regulatory fees and fines, would allow the Exchange to continue covering a material portion of ORF Costs, while lessening the potential for generating excess funds that may otherwise occur using the current rate. Per the sunset provision, the Exchange proposes to resume assessing its current ORF (i.e., \$0.0038 per contract) after December 31, 2025. The Exchange believes that resumption of the ORF at the current rate on January 1, 2026 (unless the Exchange determines it necessary to adjust the ORF rate to help ensure that ORF collections do not exceed ORF Costs) is reasonable because it would permit the Exchange to resume collecting an ORF that is designed to recover a material portion, but not all, of the Exchange's projected ORF Costs. The Exchange's proposal to revert to its current ORF rate after December 31, 2025 is based on the Exchange's estimated projections for its regulatory costs, which are currently projected to increase in 2026, balanced with the increase in options volumes that has persisted into 2025 and that may continue into 2026.

The Exchange will continue to monitor ORF Costs in advance of the sunset date (i.e., December 31, 2025) and, if necessary, based on projected volumes and ORF Costs, will adjust the ORF rate to help ensure that ORF collections would not exceed a material portion of ORF Costs, adjust the ORF by submitting a proposed rule change and notifying OTP Holders of such change by Trader Update.

The Proposal is an Equitable Allocation of Fees

The Exchange believes its proposal is an equitable allocation of fees among its market participants. The Exchange believes that the proposed rule change would not place certain market participants at an unfair disadvantage because it would apply equally to all OTP Holders on all their transactions that clear in the Customer range at the OCC and would allow the Exchange to continue to monitor the amount collected from the ORF to help ensure that ORF collection, in combination with other regulatory fees and fines, does not exceed regulatory costs. The Exchange also believes that reverting to the existing ORF after December 31, 2025, unless the Exchange determines it necessary to adjust the ORF to ensure that ORF collections do not exceed a material portion of ORF Costs, is equitable because the ORF would continue to apply equally to all OTP Holders on options transactions in the Customer range, at a rate designed to recover a material portion, but not all, of the Exchange's projected ORF Costs, based on current projections that such costs will increase in 2026.

The Proposed Fee is Not Unfairly Discriminatory

The Exchange believes that the proposal is not unfairly discriminatory. The Exchange believes that the proposed temporary decrease to the ORF rate would not place certain market participants at an unfair disadvantage because it would apply to all OTP Holders subject to the ORF and would allow the Exchange to continue to monitor the amount collected from the ORF to help ensure that ORF collection, in combination with other regulatory fees and fines, does not exceed regulatory costs. The Exchange also has provided all such OTP Holders with 30 days' advance notice of the planned change to the ORF. Further, the Exchange believes that reverting to the existing ORF after December 31, 2025 (i.e., the sunset date), unless the Exchange determines it necessary to adjust the ORF to ensure that ORF collections do not exceed a material portion of ORF Costs, is not unfairly discriminatory because the Exchange would

resume assessing the ORF (at its current rate) equally to all OTP Holders based on their transactions that clear in the Customer range at the OCC.

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 competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition. The Exchange believes the proposed change would not impose an undue burden on intramarket competition because the ORF is charged to all OTP Holders on all their transactions that clear in the Customer range at the OCC; thus, the amount of ORF imposed is based on the amount of Customer volume transacted. The Exchange believes that the proposed temporary decrease of the ORF would not place certain market participants at an unfair disadvantage because all options transactions must clear via a clearing firm. Such clearing firms can then choose to pass through all, a portion, or none of the cost of the ORF to its customers, i.e., the entering firms. The ORF is collected from OTP Holder clearing firms by the OCC on behalf of the Exchange and is assessed on all options transactions cleared at the OCC in the Customer range.

The Exchange also believes that reverting to the existing ORF after December 31, 2025 (i.e., the sunset date) -- unless the Exchange determines it necessary at that time to adjust the ORF to ensure that ORF collections do not exceed a material portion of ORF Costs -- would not impose an undue burden on competition because it would permit the Exchange to resume assessing an ORF that is designed to recover a material portion, but not all, of the Exchange's projected ORF Costs, based on current projections that such costs will increase in 2026. As is the case today, the proposed reduced ORF rate would apply to all OTP Holders on their options

transactions that clear in the Customer range at the OCC, which rate will automatically revert to the current ORF rate after December 31, 2025.

Intermarket Competition. The proposed fee change is not designed to address any competitive issues. Rather, the proposed change is designed to help the Exchange adequately fund its regulatory activities while seeking to ensure that total collections from regulatory fees do not exceed total regulatory costs.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,¹⁸ and Rule 19b-4(f)(2) thereunder¹⁹ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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:

¹⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁹ 17 CFR 240.19b-4.

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEARCA-2025-52 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-NYSEARCA-2025-52. This file number should be included on the subject line if email 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSEARCA-2025-52 and should be

submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Sherry R. Haywood,

Assistant Secretary.

²⁰ 17 CFR 200.30-3(a)(12).

Additions underscored
 Deletions [bracketed]

NYSE Arca Options Fees and Charges

Effective Date: July [1]16, 2025

NYSE Arca GENERAL OPTIONS and TRADING PERMIT (OTP) FEES

REGULATORY FEES

Options Regulatory Fee (“ORF”)*

[\$0.0038]\$0.0023 per contract

The ORF will sunset on December 31, 2025,
after which the ORF rate will revert back to
\$0.0038 per contract.

* The ORF will be assessed to each OTP Holder or OTP Firm for all options transactions that are cleared by the OTP Holder or OTP Firm through The Options Clearing Corporation (“OCC”) in the customer range regardless of the exchange on which the transaction occurs. The Exchange uses reports from OCC when assessing and collecting the ORF. The ORF is not assessed on outbound linkage trades. The fee is collected from OTP Holder and OTP Firm clearing firms by OCC on behalf of NYSE Arca. An OTP Holder or OTP Firm shall not be assessed the fee until it has satisfied applicable technological requirements necessary to commence operations on NYSE Arca. The Exchange will notify participants via a Trader Update of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.
