Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2026 - * 87
Amendment No. (req. for Amendments *)

Filing by NYSE Arca, Inc.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ✔	Amendment * ☐	Withdrawal ☐
Section 19(b)(2) * ☐	Section 19(b)(3)(A) * ✔	Section 19(b)(3)(B) * ☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
✔ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to modify the NYSE Arca Options Fee Schedule

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 *	Michael	Last Name *	Bautz
Title *	Director, Associate General Counsel		
E-mail *	Michael.Bautz@ice.com		
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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	08/18/2026	(Title *)
By	Patrick Troy	Senior Director, 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.

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

Form 19b-4 Information * Add / Remove / View 19b-4 NYSE Arca - FB Rebate and MI	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 * Add / Remove / View Ex. 1 Re-file NYSE Arca FB Rebate a	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 * Add / Remove / View	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 Add / Remove / View	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 Add / Remove / View	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 Add / Remove / View	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 - NYSE Arca Options - FB Rebate	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 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 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 modify the NYSE Arca Options Fee Schedule ("Fee Schedule") regarding fees and rebates applicable to Manual transactions.

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:

Michael Bautz
Director, Associate General Counsel
NYSE Group, Inc.
(212) 656-2077

David De Gregorio
Senior Director, Associate General Counsel
NYSE Group, Inc.
(212) 656-4166

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

(a) Purpose

The purpose of this filing is to amend the Fee Schedule to modify fees and rebates applicable to Manual transactions. Specifically, the Exchange proposes to (1) amend fees applicable to Manual transactions in non-Penny issues executed by LMMs and Market Makers (collectively, "Market Makers"), and (2) establish a rebate payable to Floor Broker orders that trade with a Market Maker order on the Trading Floor ("Trading

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

Floor" or "Floor"). The Exchange proposes the fee change to be effective August 18 2026.[3]

The Fee Schedule sets forth per contract transaction fees applicable to Manual executions.[4] Currently, a $0.50 per contract fee applies to Market Makers' Manual transactions in both Penny and non-Penny issues (except for Manual transactions in MXEA, MXEF, MXUSA, MXWLD, and MXACW). The Exchange proposes to amend the Fee Schedule to increase this fee to $0.90 per contract for Market Makers' Manual transactions in non-Penny issues (excluding transactions in MXEA, MXEF, MXUSA, MXWLD, and MXACW).[5]

The Exchange also proposes to establish a rebate of $0.20 per contract payable to Floor Broker orders that trade with Market Maker orders on the Trading Floor. For Floor Brokers that participate in the FB Prepay Program,[6] the proposed rebate would apply in lieu of any rebates earned through the Manual Billable Rebate Program as provided in the Fee Schedule. The Exchange proposes to add new text describing this rebate to Endnote 17.

The Exchange believes that the proposed rebate for Penny and non-Penny issues would continue to incentivize Floor Brokers to participate on the Trading Floor, including when the counterparty to such trading is a Market Maker. In addition, although the proposed change to the Market Maker fee for Manual transactions in non-Penny issues, which in July 2026 only made up 27% of all manual transactions would, increase the fee for such executions, the Exchange believes the proposed change, taken together with the proposed Floor Broker rebate would, on balance, not discourage Market Makers from continuing to participate in transactions on the Trading Floor, thereby promoting trading opportunities and competition on the Floor to the benefit of all market participants. The Exchange also notes that the amount of the proposed fee for Market Maker Manual transactions in non-

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3 The Exchange previously filed to amend the Fee Schedule several times beginning on January 2, 2026, all of which filings were withdrawn and replaced by another filing. Most recently, the Exchange amended the Fee Schedule on June 22, 2026 (SR-NYSEARCA-2026-70) which filing the Exchange withdrew on June 22, 2026. The Exchange notes that a previous filing proposed changes to a complex order surcharge that are not included in this filing.

4 See NYSE Arca OPTIONS: TRADE-RELATED CHARGES FOR STANDARD OPTIONS, TRANSACTION FEE FOR MANUAL EXECUTIONS - PER CONTRACT.

5 The Exchange also proposes a formatting change to the table setting forth Manual transaction fees to delineate fees applicable to executions in Penny vs. non-Penny issues. The Exchange is not proposing to amend any fees other than those applicable to Market Maker Manual transactions in non-Penny issues as described above. The Exchange also proposes a clarifying change in the text defining Penny and non-Penny issues (preceding the table setting forth Manual transaction fees), to specify that a Penny issue or class refers to option classes that participate in the Penny Interval Program, as described in Rules 6.72-O and 6.72A-O.

6 The Exchange also proposes a non-substantive change to correct a typo in the portion of the Fee Schedule describing the FB Prepay Program. See proposed Fee Schedule, FLOOR BROKER FIXED COST PREPAYMENT INCENTIVE PROGRAM (the "FB Prepay Program").

Penny issues is within the range of fees currently in place for transactions by Market Makers (and other market participants) in non-Penny issues.[7]

In addition, the proposed fee is comparable to fees imposed by other options exchanges on responders in transactions that are analogous to the transactions that are at issue here. For example, for cross order handling under its Automated Improvement Mechanism ("AIM") program, Cboe Exchange, Inc. ("Cboe") imposes a $1.05 per contract fee on Clearing Trading Permit Holders responding to orders in AIM's crossing-mechanism, while charging Cboe Market Makers a fee of $0.25 per contract, a differential of $0.80 per contract, for essentially the same activity.[8]

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[9] in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,[10] in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Proposed Rule Change is Reasonable

The Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[11]

There are currently 18 registered options exchanges competing for order flow. Based on publicly-available information, and excluding index-based options, no single exchange has more than 16% of the market share of executed volume of multiply-listed equity and

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7 See, e.g., Fee Schedule, TRANSACTION FEE FOR ELECTRONIC EXECUTIONS - PER CONTRACT (providing for $1.20 take fee for Market Maker electronic executions in non-Penny issues and $1.10 take fee for Professional Customer electronic executions in non-Penny issues).

8 See Cboe Exchange Fee Schedule, Rate Table - Options Transaction Fees, available at https://cdn.cboe.com/resources/membership/Cboe_FeeSchedule.pdf

9 15 U.S.C. 78f(b).

10 15 U.S.C. 78f(b)(4) and (5).

11 See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (S7-10-04) ("Reg NMS Adopting Release").

ETF options trades.[12] Therefore, currently no exchange possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in July 2026, the Exchange had 10.01% market share of executed volume of multiply-listed equity and ETF options trades.[13] In such a low-concentrated and highly competitive market, no single options exchange possesses significant pricing power in the execution of options order flow. Within this environment, market participants can freely and often do shift their order flow among the Exchange and competing venues in response to changes in their respective pricing schedules.

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue or reduce use of certain categories of products, in response to fee changes. Accordingly, competitive forces constrain options exchange transaction fees.

The Exchange believes that the proposed rebate is reasonable because it would incentivize Floor Brokers to direct additional Manual orders to the Exchange, thereby creating more trading opportunities on the Trading Floor for all market participants, including Market Makers, who, therefore, would not be discouraged from continuing to quote and trade actively on the Exchange. The Exchange also believes that, in addition to benefitting all market participants, the amount of the proposed fee for Market Maker Manual transactions in non-Penny issues is reasonable, as it is (i) targeted in that it is limited to manual transactions in non-Penny issues, which make up only 14% of all manual transactions; (ii) consistent with fees charged, and differences allowed, by other options exchanges on similarly situated participants for similar transactions (e.g., Cboe AIM transaction fees); (iii) remains within the range of fees set forth in the Fee Schedule for transactions by Market Makers in non-Penny issues; and (iv) more closely aligns with the fee applicable to electronic transactions by Market Makers in non-Penny issues.

Furthermore, the Exchange believes that assessing a higher fee for manual transactions on the Trading Floor is reasonable considering the distinct advantages afforded to Floor-based Market Makers. In July 2026, approximately 98% of Market Maker Manual volume in non-Penny issues was generated by Floor-based Market Makers who, by virtue of their physical presence and participation model, are uniquely positioned to evaluate the full terms of a transaction, including size, pricing, and counterparty interest, immediately prior to execution. This capability enables Floor-based Market Makers to exercise discretion in determining whether to engage in a trade under informed conditions that are not available to off-floor or fully electronic participants. In addition, the Exchange's rules provide Floor-based Market Makers with a guaranteed participation entitlement of up to 60% of the trade for Facilitation Cross Transactions,[14] even in the absence of price

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[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.

[13] Based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of equity-based ETF options, see id., the Exchange’s market share in equity-based options decreased from 11.95% for the month of July 2025 to 10.01% for the month of July 2026.

[14] See Rule 6.47-O.

improvement. This allocation represents a meaningful structural advantage as it ensures a substantial share of order flow once a Floor-based Market Maker elects to participate.[15] Together, these features—the ability to assess trading opportunities in real time before committing capital and the certainty of receiving a guaranteed, significant allocation—enhance the likelihood of favorable execution outcomes and revenue opportunities for Floor-based Market Makers. Accordingly, the Exchange believes it is reasonable to assess higher fees on Floor-based Market Maker Manual transactions in non-Penny issues. The differential between the fee charged by the Exchange to Floor-based Market Makers versus the fee charged to other participants in non-Penny issues, similar to the differential in fees Cboe charges to Clearing Trading Permit Holders versus to Market Makers in their AIM transactions, reflects the enhanced trading privileges, informational advantages, and allocation guarantees that are uniquely available to Trading Floor-based participants and serves to appropriately align fees with the relative value of these benefits as compared to other market participants operating without such advantages.

The Exchange believes that the proposed changes are reasonably designed to incent Floor Brokers (and other participants on the Trading Floor) to increase the number of Manual orders sent to the Exchange. Any increase in trading volume would create more trading opportunities for all market participants and would in turn attract additional order flow to the Exchange, further contributing to a deeper, more liquid market to the benefit of all market participants. The Exchange also notes that the proposed rebate is similar in structure to incentive programs for Floor Brokers offered by competing options exchanges.[16]

The Exchange further believes the proposed change is reasonable because it is designed to offset costs associated with the proposed Floor Broker rebate, which, as noted above, is being proposed to create more trading opportunities on the Trading Floor for all market participants, including Market Makers. To the extent this purpose is achieved, the Exchange believes that the proposed change would not disincentivize Market Maker activity on the Trading Floor because increased order flow from Floor Brokers seeking to earn the proposed rebate would result in more opportunities to trade for all market participants. In addition, the Exchange notes that market participants are free to conduct transactions on competing venues instead if they believe other markets offer more favorable fees and credits.

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15 This is a significant benefit. While some Market Maker Manual volume derives from upstairs paired transactions, where these benefits are not present, such activity constitutes only a small percentage of overall Market Maker Manual activity.

16 See, e.g., BOX Exchange Fee Schedule, Section V. Manual Transaction Fees, available at https://boxexchange.com/assets/BOX-Fee-Schedule-as-of-January-22-2026.pdf (offering Floor Brokers that submit QOO and FOO Orders a $0.20 per contract enhanced rebate for executions that trade with a Floor Market Maker, in lieu of lesser per contract rebates also available to Floor Brokers); MIAX Sapphire Options Exchange, Section 1) c) Trading Floor Transactions, available at https://www.miaxglobal.com/sites/default/files/fee_schedule-files/MIAX_Sapphire_Fee_Schedule_01212026_b.pdf (providing for the "Floor Broker Breakup Credit," a $0.20 credit applicable to Floor Brokers that submit a QFO or cQFO for executions that trade with a Floor Market Maker, instead of the $0.10 Floor Broker rebate otherwise available).

To the extent the proposed rule change continues to attract greater volume and liquidity by encouraging Floor Brokers to increase their options volume on the Exchange in an effort to earn the proposed rebate, the Exchange believes the proposed changes would improve the Exchange's overall competitiveness and strengthen its market quality for all market participants. Against the backdrop of the competitive environment in which the Exchange operates, the proposed rule change is a reasonable attempt by the Exchange to increase the depth of its market and improve its market share relative to its competitors.

The Proposed Rule Change is an Equitable Allocation of Credits and Fees

The Exchange believes the proposed rule change is an equitable allocation of its fees and credits because the proposed rebate is based on the amount and type of business transacted on the Exchange, and Floor Brokers can try to earn the proposed rebate, or not. The Exchange also believes that the proposed change to the fee applicable to Market Maker Manual transactions in non-Penny issues is equitable because it is narrowly designed to balance costs associated with encouraging increased execution opportunities in manual transactions on the Trading Floor, and an increase in such orders would in turn enhance trading opportunities for all market participants. In addition, the proposed fee is consistent with fees charged, and differences allowed, by Cboe for analogous transactions (e.g., AIM transaction fees) and is within the range of fees currently applicable to electronic transactions by Market Makers and other market participants in non-Penny issues. The Exchange further believes that assessing Market Makers a higher fee for Manual transactions in non-Penny issues is equitable because Floor-based Market Makers, who account for the majority of such volume, occupy a uniquely advantaged position relative to other market participants. Specifically, they benefit from the exclusive ability to evaluate the terms of a transaction immediately prior to execution as well as a guaranteed participation allocation of up to 60% of the trade under the Exchange's rules.[17] The Exchange also believes that the proposed rebate to Floor Brokers is an equitable allocation of fees and credits because it is intended to support Floor Brokers' role in facilitating the execution of Manual orders, which function benefits all market participants on the Trading Floor, including Market Makers.

Moreover, the proposal is designed to incent participation on the Trading Floor in an effort to make the Exchange a primary execution venue and to attract more Manual transactions to the Exchange. To the extent that the proposed change attracts more Floor Broker orders to the Exchange, this increased order flow would continue to make the Exchange a more competitive venue for, among other things, order execution. Thus, the Exchange believes the proposed rule change would improve market quality for all market participants on the Exchange and, as a consequence, attract more order flow to the Exchange thereby improving market-wide quality and price discovery.

The Proposed Rule Change is not Unfairly Discriminatory

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17 See note 1414, supra.

The Exchange believes it is not unfairly discriminatory to modify the fee applicable to Market Maker Manual transactions in non-Penny issues because the proposed change would apply to all similarly-situated Market Maker orders equally, and as discussed above, the Exchange believes it is not unfairly discriminatory to incent order flow to the Exchange, which would enhance liquidity on the Exchange to the benefit of all market participants. The Exchange also believes that the proposed rebate payable to Floor Brokers for a Manual order that trades with a Market Maker order on the Trading Floor is not unfairly discriminatory because it would be available to all similarly situated market participants on an equal and non-discriminatory basis. The Exchange further believes that the proposed rebate available to Floor Brokers is not unfairly discriminatory to other market participants because it is intended to encourage the role performed by Floor Brokers in facilitating the execution of orders via open outcry, a function which the Exchange wishes to support for the benefit of all market participants. In addition, although the proposed change would increase the fee applicable to Market Maker Manual transactions in non-Penny issues, the Exchange notes that the amount of the proposed fee is consistent with fees charged, and differences allowed, by Cboe for analogous transactions (e.g., AIM transaction fees) and is within the range of fees currently applicable to electronic and is within the range of fees currently applicable to transactions by Market Makers and other market participants in non-Penny issues.

The Exchange and believes that Market Makers would not be discouraged from continuing to participate actively on the Trading Floor and would benefit from increased Manual order flow, including from Floor Brokers seeking to earn the proposed rebate. The Exchange also believes that the higher fee assessed to Market Makers for Manual transactions in non-Penny issues is not unfairly discriminatory because it reasonably reflects the uniquely advantaged position of Trading Floor-based Market Makers, who generate a significant portion of such volume, relative to other market participants. In particular, these Trading Floor-based Market Makers possess the exclusive ability to evaluate the full terms of a transaction immediately prior to execution and benefit from a guaranteed participation allocation of up to 60% of the trade under the Exchange's rules.[18] These features provide Floor-based Market Makers with meaningful informational and allocation advantages that are not available to off-floor or purely electronic participants. Accordingly, the Exchange believes that the differential in fees, which is similar to the differential Cboe charges Clearing Trading Permit Holders and Market Makers in their AIM transactions, is appropriately calibrated to the distinct structural benefits available to Trading Floor-based Market Makers and therefore does not constitute unfair discrimination. Rather, the higher fee reflects a rational alignment between pricing and the value of the enhanced trading opportunities and execution certainty afforded to these participants. Moreover, to the extent that the exercise of these advantages contributes to increased Trading Floor activity and attracts additional order flow, the proposed fee would enhance overall market quality, deepen liquidity, and promote additional trading opportunities for all market participants on the Exchange.

Finally, the Exchange believes that it is subject to significant competitive forces, as

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18 See note 1414, supra.

described below in the Exchange's statement regarding the burden on competition.

4. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, as discussed above, the Exchange believes that the proposed changes would encourage the submission of additional liquidity to a public exchange, thereby promoting market depth, price discovery and transparency and enhancing order execution opportunities for all market participants. As a result, the Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering integrated competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."[19]

Intramarket Competition. The proposed change is designed to attract additional order flow to the Exchange. The Exchange believes that the proposed change to Market Maker fees for Manual transactions in non-Penny issues, and the proposed rebate payable to the Floor Broker orders that trade against Market Maker orders on the Trading Floor would encourage Floor Broker Manual order flow and, therefore, would not disincentivize Market Maker activity on the Trading Floor. Greater liquidity benefits all market participants on the Exchange and increased order flow would increase opportunities for execution of other trading interest. The proposed changes would apply and be available to all similarly situated market participants that execute Manual transactions on the Trading Floor, and, accordingly, the proposed changes would not impose a disparate burden on competition among market participants on the Exchange.

Intermarket Competition. The Exchange operates in a highly competitive market in which market participants can readily favor one of the other 18 competing options exchanges if they deem the Exchange's fee levels to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow to the Exchange. Based on publicly available information, and excluding index-based options, no single exchange has more than 16% of the market share of executed volume of multiply-listed equity and ETF options trades.[20] Therefore, currently no exchange possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in July 2026, the Exchange had 10.01% market share of executed volume of multiply-listed equity and ETF options trades.[21]

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[19] See Reg NMS Adopting Release, note 11 supra at 37499.

[20] 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.

[21] Based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of equity-based ETF options, see id., the Exchange's market share in equity-based options increased from 11.66% for the month of May 2025 to 10.64% for the month of May 2026.

The Exchange believes that the proposed rule change reflects this competitive environment because it modifies the Exchange's fees in a manner designed to continue to incent participants on the Trading Floor to direct trading interest to the Exchange, to provide liquidity and to attract additional order flow. To the extent that Floor Brokers are encouraged to utilize the Exchange as a primary trading venue for all transactions, all Exchange market participants stand to benefit from the improved market quality and increased opportunities for price improvement. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

5. <u>Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others</u>

The Exchange is aware that the Commission has received written comments on the proposed rule change, submitted by Group One Trading LLC ("Group One"), maintaining that the proposal is unreasonable, not an equitable allocation of fees and credits, and unfairly discriminatory. The Exchange disagrees with Group One's characterizations and responds to each argument below.

<u>The Argument That the Proposed Rule Change Is Not Reasonable</u>

The Competitive Landscape

The Exchange disagrees with the contention that fees and rebates are subject to competition only among the six exchanges with physical trading floors and that Market Makers, as non-originators, lack the ability to redirect business to a competing venue. While manual transactions executed on a physical trading floor cannot occur on an all-electronic exchange, Market Makers are not without competitive recourse. A Market Maker that finds the economics of trading floor participation unsatisfactory retains the ability to reduce or eliminate its floor presence, redirect its liquidity provision activities to electronic venues, or reallocate capital. The mere fact that a participant cannot instantaneously reroute a single transaction does not mean it lacks the ability to respond to pricing signals over time. Competitive pricing discipline operates not only at the level of individual transaction routing decisions, but also at the level of capital allocation and business model decisions. The Exchange's fee structure must remain attractive enough to retain Market Maker participation on the Trading Floor, and this creates a genuine competitive constraint on the Exchange's pricing discretion. The Exchange is not required to demonstrate perfect competition at the level of every individual transaction; it need only demonstrate that its fees are reasonable, equitably allocated, and non-discriminatory, standards that the proposal satisfies for the reasons set forth above.

The Proposal's Predicted Benefits

There is no merit to the contention that the proposed Floor Broker incentives will not generate incremental trading opportunities for Market Makers because Market Makers already had access to this order flow at lower cost. The Commission has consistently recognized that rebates and incentive structures can shift order flow, and there is no principled basis for concluding that the same economic logic does not apply here. Floor Brokers are economic actors who respond to financial incentives. A rebate that improves the economics of routing manual orders to the Exchange relative to competing floor-based venues will, at the margin, increase the volume of orders directed here.

The suggestion that the Exchange's logic fails because Floor-based Market Makers maintain a presence on every floor-based exchange and, therefore, any flow diverted from a competing floor was already accessible to them at lower cost is unfounded. The Exchange acknowledges that for a Market Maker with universal floor coverage, flow that shifts between floors does not necessarily represent a new trading opportunity. However, this framing misses two important points. First, the fee structure must be evaluated against its effect on Market Maker participation broadly, not solely through the lens of the largest and most sophisticated participants. Not every Market Maker maintains full coverage across all floor-based venues, and for those participants the proposed incentive structure creates genuinely new trading opportunities. Second, for a Market Maker present on every floor, the concentration of greater order flow and a more active Trading Floor can improve the quality and frequency of trading interactions in ways that a thin and uniform presence across venues does not. The Proposal is designed to increase aggregate floor activity, and that benefit accrues to all participants.

There is similarly no merit to the claim that to the extent the proposal attracts volume, it will be replicated by competing exchanges, resulting in no net benefit to the Exchange and only higher net costs for Market Makers across the industry. This replication argument, taken to its logical conclusion, would counsel against any exchange ever adopting an innovative pricing structure, since any successful structure could be copied, and often is. Moreover, if replication were both inevitable and costless, one would expect uniform pricing across all floor-based venues today, which is not the case.[22] If competing exchanges replicate the structure because it proves effective at attracting volume, that is evidence that the incentive structure works. In the interim period before any replication occurs, the Exchange will have attracted incremental volume and provided Market Makers with access to order flow they would not otherwise have seen. The Exchange cannot be faulted for adopting pricing approach that is effective and that others follow.

<u>The Argument That the Proposed Rule Change Is Not an Equitable Allocation of Credits and Fees</u>

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22 <u>See</u>, e.g., CBOE Exchange Fee Schedule, Rate Table - All Products Excluding Underlying Symbol List A (34) and Binary Options, available at https://cdn.cboe.com/resources/membership/Cboe_FeeSchedule.pdf (charging Cboe Options Market Makers, DPMs, and LMMs that submit Manual executions a $0.45 per contract fee in Penny Classes, five cents less than the Exchange's $0.50 fee on the same order flow).

The argument that the proposal does not create additional trading opportunities for Market Makers and therefore cannot be an equitable allocation of fees and credits misconstrues the equitable allocation requirement, which does not require that every fee and rebate structure produce symmetric benefits for all market participant categories simultaneously. The standard is fairness of allocation across categories, not identical treatment.[23] The Exchange believes that the equitable allocation requirement is satisfied when fees and credits are allocated fairly across categories of participants and any differences among categories are justified. A fee structure that benefits one category of participant differently from another is not an inequitable allocation where, as here, it reflects the distinct roles and functions of those participants.[24] Floor Brokers perform a distinct and essential function in the manual trading process: they represent customer orders, manage the complexity of open-outcry interaction, and bear obligations of best execution. A rebate that recognizes and compensates this function is an application of the principle that fees and credits should reflect the value contributed by the participant receiving them.

Furthermore, the claim that the order flow to be attracted to the Floor is typically pre-matched and therefore presents no incremental opportunity for Floor-based Market Makers to compete overstates the degree to which manual orders are insulated from competition. The only orders that Floor Market Makers are not able to participate in are customer-to-customer cross orders. As noted above, Exchange rules provide Floor-based Market Makers with a guaranteed participation entitlement of up to 60% of the trade for both Solicitation and Facilitation Cross Transactions.[25] The proposal does not alter those exposure and participation requirements. Floor based Market Makers retain the right to compete for the majority of each such order upon arrival, and the Proposal is designed to bring more of that order flow to the Exchange, not less. The Exchange believes that the proposed fee does not render participation in these transactions uneconomical, and the Commentator offers no data suggesting otherwise.

The Argument That the Proposed Rule Change Is Unfairly Discriminatory

Floor Market Makers and Firms and Broker-Dealers

The argument that the proposed per contract fee assessed to Floor-based Market Makers and the $0.25 per contract fee assessed to firms and broker-dealers is an example of disparate fees being assessed to two market participants performing the same function of providing liquidity misses the critical distinction between market participants that have

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23 See SEC Staff Guidance on SRO Rule Filings Relating to Fees (May 21, 2019), available at https://www.sec.gov/about/staff-guidance-sro-rule-filings-fees (when assessing equitable allocation, staff considers "whether the costs of operating the SRO or, as applicable, the rebates, discounts, and waivers offered by the SRO, are allocated fairly among the various categories of persons using the SRO's facilities and whether any fee differences among categories of persons are justified.").

24 See, e.g., Securities Exchange Act Release No. 104295 (Dec. 2, 2025), 90 FR 56222, 56223 (Dec. 5, 2025) (SR-NYSEAMER-2025-68) (exempting floor brokers from routing surcharges based on their "unique and important role in ensuring liquidity is executed on the Trading Floor").

25 See note 144, supra.

formally registered as Market Makers on the Exchange and accepted the attendant obligations and benefits and the market participants that have not. Registered Market Makers on the Exchange accept certain obligations, including continuous quoting requirements, obligations to maintain fair and orderly markets, and other responsibilities, in exchange for certain benefits, including preferential access, participation entitlements, and other structural advantages. The fees assessed to registered Market Makers reflect the totality of this relationship, including the benefits. An off-Floor firm appearing in a manual transaction as a firm or broker-dealer has accepted none of these obligations and is thus entitled to none of these benefits. Charging these two categories of market participant differently given the material difference in their regulatory status, their obligations to the marketplace, and the overall economics of their participation is therefore not unfairly discriminatory.

The Comparison to Electronic Fee Parity

Similarly, there is no merit to the contention that charging Market Makers and firms identical fees in electronic markets while charging them differently in manual markets reveals the proposal's discriminatory intent. The distinction between electronic and manual market structures justifies differential treatment. In electronic markets, orders typically arrive unmatched and are exposed to the full pool of liquidity providers simultaneously. In this environment, all liquidity providers compete on equal terms for each incoming order, and equal fees reflect this equality of competitive opportunity. In manual markets the competitive dynamics are fundamentally different where, by virtue of their physical presence, Floor-based Market Makers are uniquely positioned to evaluate the full terms of a transaction, including size, pricing, and counterparty interest and maintain a participation entitlement of up to 60% on certain transactions. The Exchange's fee structure appropriately reflects these differences. Imposing identical fees across structurally distinct market mechanisms would itself be a form of irrational treatment, applying the same rule to materially different circumstances.

The Commission Payment Argument

The claim that, under the proposal, Market Makers will be forced to pay Floor Brokers is misplaced. Under the proposal, the rebate is paid by the Exchange to the Floor Broker, not by the Market Maker. The fee assessed to the Market Maker funds the Exchange's broader operations and pricing structure, of which the rebate to Floor Brokers is one component. This is no different in principle from how exchange fees generally operate: fees collected from one category of participant are used to fund rebates and services that benefit other categories, with the overall structure designed to attract and maintain a healthy ecosystem for all participants. The absence of a direct contractual relationship between the Market Maker and the Floor Broker in the rebate context does not transform an exchange fee into an impermissible penalty.

The Exchange further notes that the characterization of the rebate as "punishment" for competing is not supported. The fee applies to all Floor Market Makers equally and on a non-discriminatory basis and does not depend on whether a particular Market Maker competed aggressively or conservatively for any given order. It is a transaction fee, not a penalty for competitive behavior. The Exchange also believes that the suggestion that the proposal is designed to suppress competition by insulating matched order flow mischaracterizes the proposal's effect. As noted above, existing Exchange rules governing exposure and participation rights continue to apply to all manual transactions regardless of the fee level, and those rules are designed precisely to ensure that market makers have the opportunity to compete for any order that arrives on the Trading Floor.

In summary, Floor Market Makers occupy a unique place in the options ecosystem and, therefore, the Exchange proposes to charge them differentiated rates. The Exchange sees nothing unfairly discriminatory about charging different participants, with unique obligations and benefits, different rates.

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 Act[26] 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.[27]

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

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

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[26] 15 U.S.C. 78s(b)(3)(A)(ii).

[27] 15 U.S.C. 78s(b)(2)(B).

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of the Proposed Rule Change for Publication in the Federal Register

Exhibit 5 – Amendment to the Exchange's Fee Schedule

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NYSEARCA-2026-87)

[Date]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify 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 August 18, 2026, 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 modify the NYSE Arca Options Fee Schedule ("Fee Schedule") regarding fees and rebates applicable to Manual transactions. 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

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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 purpose of this filing is to amend the Fee Schedule to modify fees and rebates applicable to Manual transactions. Specifically, the Exchange proposes to (1) amend fees applicable to Manual transactions in non-Penny issues executed by LMMs and Market Makers (collectively, "Market Makers"), and (2) establish a rebate payable to Floor Broker orders that trade with a Market Maker order on the Trading Floor ("Trading Floor" or "Floor"). The Exchange proposes the fee change to be effective August 18 2026.[4]

The Fee Schedule sets forth per contract transaction fees applicable to Manual executions.[5] Currently, a $0.50 per contract fee applies to Market Makers' Manual transactions in both Penny and non-Penny issues (except for Manual transactions in MXEA, MXEF, MXUSA, MXWLD, and MXACW). The Exchange proposes to amend the Fee Schedule to increase this fee to $0.90 per contract for Market Makers' Manual transactions in non-Penny issues (excluding transactions in MXEA, MXEF, MXUSA, MXWLD, and MXACW).[6]

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4 The Exchange previously filed to amend the Fee Schedule several times beginning on January 2, 2026, all of which filings were withdrawn and replaced by another filing. Most recently, the Exchange amended the Fee Schedule on June 22, 2026 (SR-NYSEARCA-2026-70) which filing the Exchange withdrew on June 22, 2026. The Exchange notes that a previous filing proposed changes to a complex order surcharge that are not included in this filing.

5 See NYSE Arca OPTIONS: TRADE-RELATED CHARGES FOR STANDARD OPTIONS, TRANSACTION FEE FOR MANUAL EXECUTIONS - PER CONTRACT.

6 The Exchange also proposes a formatting change to the table setting forth Manual transaction fees to delineate fees applicable to executions in Penny vs. non-Penny issues. The Exchange is not proposing to amend any fees other than those applicable to Market Maker Manual transactions in non-Penny issues as described above. The Exchange also proposes a clarifying change in the text defining Penny and non-Penny issues (preceding the table setting forth Manual transaction fees), to specify that a Penny issue or

The Exchange also proposes to establish a rebate of $0.20 per contract payable to Floor Broker orders that trade with Market Maker orders on the Trading Floor. For Floor Brokers that participate in the FB Prepay Program,[7] the proposed rebate would apply in lieu of any rebates earned through the Manual Billable Rebate Program as provided in the Fee Schedule. The Exchange proposes to add new text describing this rebate to Endnote 17.

The Exchange believes that the proposed rebate for Penny and non-Penny issues would continue to incentivize Floor Brokers to participate on the Trading Floor, including when the counterparty to such trading is a Market Maker. In addition, although the proposed change to the Market Maker fee for Manual transactions in non-Penny issues, which in July 2026 only made up 27% of all manual transactions would, increase the fee for such executions, the Exchange believes the proposed change, taken together with the proposed Floor Broker rebate would, on balance, not discourage Market Makers from continuing to participate in transactions on the Trading Floor, thereby promoting trading opportunities and competition on the Floor to the benefit of all market participants. The Exchange also notes that the amount of the proposed fee for Market Maker Manual transactions in non-Penny issues is within the range of fees currently in place for transactions by Market Makers (and other market participants) in non-Penny issues.[8]

In addition, the proposed fee is comparable to fees imposed by other options exchanges on responders in transactions that are analogous to the transactions that are at issue here. For

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class refers to option classes that participate in the Penny Interval Program, as described in Rules 6.72-O and 6.72A-O.

7 The Exchange also proposes a non-substantive change to correct a typo in the portion of the Fee Schedule describing the FB Prepay Program. See proposed Fee Schedule, FLOOR BROKER FIXED COST PREPAYMENT INCENTIVE PROGRAM (the “FB Prepay Program”).

8 See, e.g., Fee Schedule, TRANSACTION FEE FOR ELECTRONIC EXECUTIONS - PER CONTRACT (providing for $1.20 take fee for Market Maker electronic executions in non-Penny issues and $1.10 take fee for Professional Customer electronic executions in non-Penny issues).

example, for cross order handling under its Automated Improvement Mechanism ("AIM") program, Cboe Exchange, Inc. ("Cboe") imposes a $1.05 per contract fee on Clearing Trading Permit Holders responding to orders in AIM's crossing-mechanism, while charging Cboe Market Makers a fee of $0.25 per contract, a differential of $0.80 per contract, for essentially the same activity.[9]

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[10] in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,[11] in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Proposed Rule Change is Reasonable

The Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[12]

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9 See Cboe Exchange Fee Schedule, Rate Table - Options Transaction Fees, available at https://cdn.cboe.com/resources/membership/Cboe_FeeSchedule.pdf

10 15 U.S.C. 78f(b).

11 15 U.S.C. 78f(b)(4) and (5).

12 See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (S7-10-04) ("Reg NMS Adopting Release").

There are currently 18 registered options exchanges competing for order flow. Based on publicly-available information, and excluding index-based options, no single exchange has more than 16% of the market share of executed volume of multiply-listed equity and ETF options trades.[13] Therefore, currently no exchange possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in July 2026, the Exchange had 10.01% market share of executed volume of multiply-listed equity and ETF options trades.[14] In such a low-concentrated and highly competitive market, no single options exchange possesses significant pricing power in the execution of options order flow. Within this environment, market participants can freely and often do shift their order flow among the Exchange and competing venues in response to changes in their respective pricing schedules.

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue or reduce use of certain categories of products, in response to fee changes. Accordingly, competitive forces constrain options exchange transaction fees.

The Exchange believes that the proposed rebate is reasonable because it would incentivize Floor Brokers to direct additional Manual orders to the Exchange, thereby creating more trading opportunities on the Trading Floor for all market participants, including Market Makers, who, therefore, would not be discouraged from continuing to quote and trade actively on the Exchange. The Exchange also believes that, in addition to benefitting all market participants, the amount of the proposed fee for Market Maker Manual transactions in non-Penny issues is

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13 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.

14 Based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of equity-based ETF options, see id., the Exchange's market share in equity-based options decreased from 11.95% for the month of July 2025 to 10.01% for the month of July 2026.

reasonable, as it is (i) targeted in that it is limited to manual transactions in non-Penny issues, which make up only 14% of all manual transactions; (ii) consistent with fees charged, and differences allowed, by other options exchanges on similarly situated participants for similar transactions (e.g., Cboe AIM transaction fees); (iii) remains within the range of fees set forth in the Fee Schedule for transactions by Market Makers in non-Penny issues; and (iv) more closely aligns with the fee applicable to electronic transactions by Market Makers in non-Penny issues.

Furthermore, the Exchange believes that assessing a higher fee for manual transactions on the Trading Floor is reasonable considering the distinct advantages afforded to Floor-based Market Makers. In July 2026, approximately 98% of Market Maker Manual volume in non-Penny issues was generated by Floor-based Market Makers who, by virtue of their physical presence and participation model, are uniquely positioned to evaluate the full terms of a transaction, including size, pricing, and counterparty interest, immediately prior to execution. This capability enables Floor-based Market Makers to exercise discretion in determining whether to engage in a trade under informed conditions that are not available to off-floor or fully electronic participants. In addition, the Exchange's rules provide Floor-based Market Makers with a guaranteed participation entitlement of up to 60% of the trade for Facilitation Cross Transactions,[15] even in the absence of price improvement. This allocation represents a meaningful structural advantage as it ensures a substantial share of order flow once a Floor-based Market Maker elects to participate.[16] Together, these features—the ability to assess trading opportunities in real time before committing capital and the certainty of receiving a guaranteed,

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[15] See Rule 6.47-O.

[16] This is a significant benefit. While some Market Maker Manual volume derives from upstairs paired transactions, where these benefits are not present, such activity constitutes only a small percentage of overall Market Maker Manual activity.

significant allocation—enhance the likelihood of favorable execution outcomes and revenue opportunities for Floor-based Market Makers. Accordingly, the Exchange believes it is reasonable to assess higher fees on Floor-based Market Maker Manual transactions in non-Penny issues. The differential between the fee charged by the Exchange to Floor-based Market Makers versus the fee charged to other participants in non-Penny issues, similar to the differential in fees Cboe charges to Clearing Trading Permit Holders versus to Market Makers in their AIM transactions, reflects the enhanced trading privileges, informational advantages, and allocation guarantees that are uniquely available to Trading Floor-based participants and serves to appropriately align fees with the relative value of these benefits as compared to other market participants operating without such advantages.

The Exchange believes that the proposed changes are reasonably designed to incent Floor Brokers (and other participants on the Trading Floor) to increase the number of Manual orders sent to the Exchange. Any increase in trading volume would create more trading opportunities for all market participants and would in turn attract additional order flow to the Exchange, further contributing to a deeper, more liquid market to the benefit of all market participants. The Exchange also notes that the proposed rebate is similar in structure to incentive programs for Floor Brokers offered by competing options exchanges.[17]

The Exchange further believes the proposed change is reasonable because it is designed to offset costs associated with the proposed Floor Broker rebate, which, as noted above, is being

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17 See, e.g., BOX Exchange Fee Schedule, Section V. Manual Transaction Fees, available at https://boxexchange.com/assets/BOX-Fee-Schedule-as-of-January-22-2026.pdf (offering Floor Brokers that submit QOO and FOO Orders a $0.20 per contract enhanced rebate for executions that trade with a Floor Market Maker, in lieu of lesser per contract rebates also available to Floor Brokers); MIAX Sapphire Options Exchange, Section 1) c) Trading Floor Transactions, available at https://www.miaxglobal.com/sites/default/files/fee_schedule-files/MIAX_Sapphire_Fee_Schedule_01212026_b.pdf (providing for the "Floor Broker Breakup Credit," a $0.20 credit applicable to Floor Brokers that submit a QFO or cQFO for executions that trade with a Floor Market Maker, instead of the $0.10 Floor Broker rebate otherwise available).

proposed to create more trading opportunities on the Trading Floor for all market participants, including Market Makers. To the extent this purpose is achieved, the Exchange believes that the proposed change would not disincentivize Market Maker activity on the Trading Floor because increased order flow from Floor Brokers seeking to earn the proposed rebate would result in more opportunities to trade for all market participants. In addition, the Exchange notes that market participants are free to conduct transactions on competing venues instead if they believe other markets offer more favorable fees and credits.

To the extent the proposed rule change continues to attract greater volume and liquidity by encouraging Floor Brokers to increase their options volume on the Exchange in an effort to earn the proposed rebate, the Exchange believes the proposed changes would improve the Exchange’s overall competitiveness and strengthen its market quality for all market participants. Against the backdrop of the competitive environment in which the Exchange operates, the proposed rule change is a reasonable attempt by the Exchange to increase the depth of its market and improve its market share relative to its competitors.

The Proposed Rule Change is an Equitable Allocation of Credits and Fees

The Exchange believes the proposed rule change is an equitable allocation of its fees and credits because the proposed rebate is based on the amount and type of business transacted on the Exchange, and Floor Brokers can try to earn the proposed rebate, or not. The Exchange also believes that the proposed change to the fee applicable to Market Maker Manual transactions in non-Penny issues is equitable because it is narrowly designed to balance costs associated with encouraging increased execution opportunities in manual transactions on the Trading Floor, and an increase in such orders would in turn enhance trading opportunities for all market participants. In addition, the proposed fee is consistent with fees charged, and differences allowed, by Cboe for analogous transactions (e.g., AIM transaction fees) and is within the range of fees currently applicable to electronic transactions by Market Makers and other market participants in non-Penny issues. The Exchange further believes that assessing Market Makers a higher fee for Manual transactions in non-Penny issues is equitable because Floor-based Market Makers, who account for the majority of such volume, occupy a uniquely advantaged position relative to other market participants. Specifically, they benefit from the exclusive ability to evaluate the terms of a transaction immediately prior to execution as well as a guaranteed participation allocation of up to 60% of the trade under the Exchange's rules.[18] The Exchange also believes that the proposed rebate to Floor Brokers is an equitable allocation of fees and credits because it is intended to support Floor Brokers' role in facilitating the execution of Manual orders, which function benefits all market participants on the Trading Floor, including Market Makers.

Moreover, the proposal is designed to incent participation on the Trading Floor in an effort to make the Exchange a primary execution venue and to attract more Manual transactions to the Exchange. To the extent that the proposed change attracts more Floor Broker orders to the Exchange, this increased order flow would continue to make the Exchange a more competitive venue for, among other things, order execution. Thus, the Exchange believes the proposed rule change would improve market quality for all market participants on the Exchange and, as a consequence, attract more order flow to the Exchange thereby improving market-wide quality and price discovery.

The Proposed Rule Change is not Unfairly Discriminatory

The Exchange believes it is not unfairly discriminatory to modify the fee applicable to Market Maker Manual transactions in non-Penny issues because the proposed change would

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[18] See note 1515, supra.

apply to all similarly-situated Market Maker orders equally, and as discussed above, the Exchange believes it is not unfairly discriminatory to incent order flow to the Exchange, which would enhance liquidity on the Exchange to the benefit of all market participants. The Exchange also believes that the proposed rebate payable to Floor Brokers for a Manual order that trades with a Market Maker order on the Trading Floor is not unfairly discriminatory because it would be available to all similarly situated market participants on an equal and non-discriminatory basis. The Exchange further believes that the proposed rebate available to Floor Brokers is not unfairly discriminatory to other market participants because it is intended to encourage the role performed by Floor Brokers in facilitating the execution of orders via open outcry, a function which the Exchange wishes to support for the benefit of all market participants. In addition, although the proposed change would increase the fee applicable to Market Maker Manual transactions in non-Penny issues, the Exchange notes that the amount of the proposed fee is consistent with fees charged, and differences allowed, by Cboe for analogous transactions (e.g., AIM transaction fees) and is within the range of fees currently applicable to electronic and is within the range of fees currently applicable to transactions by Market Makers and other market participants in non-Penny issues.

The Exchange and believes that Market Makers would not be discouraged from continuing to participate actively on the Trading Floor and would benefit from increased Manual order flow, including from Floor Brokers seeking to earn the proposed rebate. The Exchange also believes that the higher fee assessed to Market Makers for Manual transactions in non-Penny issues is not unfairly discriminatory because it reasonably reflects the uniquely advantaged position of Trading Floor-based Market Makers, who generate a significant portion of such volume, relative to other market participants. In particular, these Trading Floor-based

Market Makers possess the exclusive ability to evaluate the full terms of a transaction immediately prior to execution and benefit from a guaranteed participation allocation of up to 60% of the trade under the Exchange's rules.[19] These features provide Floor-based Market Makers with meaningful informational and allocation advantages that are not available to off-floor or purely electronic participants. Accordingly, the Exchange believes that the differential in fees, which is similar to the differential Cboe charges Clearing Trading Permit Holders and Market Makers in their AIM transactions, is appropriately calibrated to the distinct structural benefits available to Trading Floor-based Market Makers and therefore does not constitute unfair discrimination. Rather, the higher fee reflects a rational alignment between pricing and the value of the enhanced trading opportunities and execution certainty afforded to these participants. Moreover, to the extent that the exercise of these advantages contributes to increased Trading Floor activity and attracts additional order flow, the proposed fee would enhance overall market quality, deepen liquidity, and promote additional trading opportunities for all market participants on the Exchange.

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange's statement regarding the burden on competition.

B. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, as discussed above, the Exchange believes that the proposed changes would encourage the submission of additional liquidity to a

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[19] See note 1515, supra.

public exchange, thereby promoting market depth, price discovery and transparency and enhancing order execution opportunities for all market participants. As a result, the Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering integrated competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."[20]

Intramarket Competition. The proposed change is designed to attract additional order flow to the Exchange. The Exchange believes that the proposed change to Market Maker fees for Manual transactions in non-Penny issues, and the proposed rebate payable to the Floor Broker orders that trade against Market Maker orders on the Trading Floor would encourage Floor Broker Manual order flow and, therefore, would not disincentivize Market Maker activity on the Trading Floor. Greater liquidity benefits all market participants on the Exchange and increased order flow would increase opportunities for execution of other trading interest. The proposed changes would apply and be available to all similarly situated market participants that execute Manual transactions on the Trading Floor, and, accordingly, the proposed changes would not impose a disparate burden on competition among market participants on the Exchange.

Intermarket Competition. The Exchange operates in a highly competitive market in which market participants can readily favor one of the other 18 competing options exchanges if they deem the Exchange's fee levels to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow to the Exchange. Based on publicly available information, and excluding index-based options, no single exchange has more than 16% of the market share of executed volume of multiply-listed

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[20] See Reg NMS Adopting Release, note 12 supra at 37499.

equity and ETF options trades.[21] Therefore, currently no exchange possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in July 2026, the Exchange had 10.01% market share of executed volume of multiply-listed equity and ETF options trades.[22]

The Exchange believes that the proposed rule change reflects this competitive environment because it modifies the Exchange's fees in a manner designed to continue to incent participants on the Trading Floor to direct trading interest to the Exchange, to provide liquidity and to attract additional order flow. To the extent that Floor Brokers are encouraged to utilize the Exchange as a primary trading venue for all transactions, all Exchange market participants stand to benefit from the improved market quality and increased opportunities for price improvement. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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.

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21 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.

22 Based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of equity-based ETF options, see id., the Exchange's market share in equity-based options increased from 11.66% for the month of May 2025 to 10.64% for the month of May 2026.

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,[23] and Rule 19b-4(f)(2) thereunder[24] 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:

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-2026-87 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.

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23 15 U.S.C. 78s(b)(3)(A)(ii).

24 17 CFR 240.19b-4.

All submissions should refer to file number SR-NYSEARCA-2026-87. 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 filing 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-2026-87 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.[25]

Sherry R. Haywood,

Assistant Secretary.

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[25] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Additions underscored
Deletions [bracketed]

NYSE Arca Options Fees and Charges

Effective Date: August [11]18, 2026

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NYSE Arca OPTIONS: TRADE-RELATED CHARGES FOR STANDARD OPTIONS[14]

Unless Professional Customer executions are specifically delineated, such executions will be treated as “Customer” executions for fee/credit purposes. Firms, Broker Dealers, and Market Makers are collectively referred to herein as “Non-Customers.”

A “Penny” issue or class refers to option classes that participate in the Penny Interval Program, as described in Rules 6.72-O and 6.72A-O; whereas a “non-Penny” issue or class refers to option classes that do not participate in the Penny Interval Program, as described in Rule 6.72A-O.

TRANSACTION FEE FOR MANUAL EXECUTIONS - PER CONTRACT

Order Type	Penny/Non-Penny	MXEA, MXEF[5]	MXUSA, MXWLD, MXACW[5]	Other Manual Executions[5]
LMM	Penny	$0.45	$0.10	$0.50
	Non-Penny	$0.45	$0.10	$0.90
NYSE Arca Market Maker	Penny	$0.45	$0.10	$0.50
	Non-Penny	$0.45	$0.10	$0.90
Firm and Broker Dealer	Penny	$0.25	$0.20	$0.25
	Non-Penny	$0.25	$0.20	$0.25
Professional Customer	Penny	$0.25	$0.05	$0.00
	Non-Penny	$0.25	$0.05	$0.00
Customer	Penny	$0.25	$0.05	$0.00
	Non-Penny	$0.25	$0.05	$0.00
Firm Facilitation and Broker Dealer facilitating a Customer or Professional Customer[7]	Penny	N/A	N/A	$0.00
	Non-Penny	N/A	N/A	$0.00

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ELECTRONIC COMPLEX
ORDER EXECUTIONS

Complex Orders executed against individual orders in the Consolidated Book will be subject to “Take Liquidity” rate per contract for that issue.

TRANSACTION FEE - PER CONTRACT

Order Type	Customer	Non-Customer*

Complex Order to Complex Order	Customer vs. Non-Customer	Penny Issues	($0.39)	$0.50
		non-Penny Issues	($0.75)	$0.85
	Customer vs. Customer	All Issues	$0.00	N/A
	Non-Customer vs. Non-Customer	Penny Issues	N/A	$0.50
		non-Penny Issues	N/A	$0.85

*A $0.12 per contract surcharge will be applied to any electronic Non-Customer Complex Order that executes against a Customer Complex Order (the "Non-Customer Complex Surcharge").

Discount on Non-Customer Complex Surcharge			
Discount	Qualification		Discount Amount
Discount 1	ADV from Non-Customer posted interest in all issues other than SPY equal to at least 0.10% of TCADV		$0.05
Discount 2	At least 1.50% of TCADV from Customer posted interest in all issues, or	At least 0.75% of TCADV in Complex executions, all account types	$0.07
OTP Holders and OTP Firms may earn the greater discount from the alternatives listed above.			

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FLOOR BROKER FIXED COST PREPAYMENT INCENTIVE PROGRAM (the "FB Prepay Program")[19]

The FB Prepay Program affords each Floor Broker organization the opportunity to prepay its annual "Eligible Fixed Costs" (set forth in the table below) for the following calendar year.

ELIGIBLE FIXED COSTS
OTP TRADING PARTICIPANT RIGHTS - Floor Broker
FLOOR BROKER ORDER CAPTURE DEVICE -MARKET DATA FEES
FLOOR BOOTHS
OPTIONS FLOOR ACCESS FEE
WIRE SERVICES

Participants in the FB Prepay Program qualify for rebates through the Manual Billable Rebate Program, payable on a monthly basis.[17] The Manual Billable Rebate Program provides all Floor Brokers that participate in the FB Prepay Program a rebate on manual billable volume of ($0.08) per billable side, and participating Floor Brokers that achieve more than 500,000 manual billable sides in a month are eligible for an additional rebate of ($0.02) per billable side, payable back to the first billable side. Participants in the FB Prepay Program may be eligible for additional rebates based on combined QCC and manual billable volume, payable back to the first billable side, as shown in the table below. The calculation of volume on which rebates earned through the Manual Billable Rebate Program would be paid is based on transactions including at least one side for which manual transaction fees are applicable and excludes QCCs. Any volume calculated to achieve the Limit of Fees on Options Strategy Executions ("Strategy Cap"), regardless of whether this cap is achieved, will likewise be excluded from the Manual Billable Rebate Program because fees on such volume are already capped and therefore such volume does not increase billable manual volume.

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NYSE Arca OPTIONS: GENERAL

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17. A Manual trade executed by a Floor Broker against a Market Maker on the Trading Floor will be eligible for a rebate of ($0.20) in lieu of any rebates achieved via the Manual Billable Rebate Program. Submitting Broker QCC credits and Floor Broker rebates earned through the Manual Billable Rebate Program shall not combine to exceed $5,500,000 per month per firm. Submitting Broker QCC credits will not apply to any QCC trades that are included in the Limit of Fees On Options Strategy Executions.

18. Reserved.

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