SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106419; File No. SR-NYSEARCA-2026-97]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 7.10-E Clearly Erroneous Executions

September 18, 2026.

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 September 14, 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 and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 7.10-E ("Clearly Erroneous Executions") in light of the Commission's approval of Overnight Protected Bands for 23/5 Trading. The proposed rule change is available on the Exchange's website at www.nyse.com and at the principal office of the Exchange.

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

NYSE Arca, Inc. ("NYSE Arca" or the "Exchange") proposes to amend proposes to amend Rule 7.10-E ("Clearly Erroneous Executions") in light of the Commission's approval of Overnight Protected Bands under the LULD Plan for 23/5 Trading.

Background

In May 2026, the Commission approved the Exchange's proposal ("Arca 23/5 Filing") to introduce trading 23 hours a day, 5 days a week ("23/5 Trading").[4] As part of that proposal, the Exchange made changes to Rule 7.10-E ("Clearly Erroneous Executions") to treat transactions executed during the Overnight Trading Session in the same manner as transactions executed during the Early and Late Trading Sessions.

Subsequently, the Operating Committee of the Plan to Address Extraordinary Market Volatility ("LULD Plan") filed proposed Amendment 27 to the LULD Plan, which proposed to establish price band protections during overnight trading hours ("Overnight Price Bands").[5] The Operating Committee proposed that the Overnight Price Bands would initially be temporary static bands 20% above and below two reference points, and that after implementation, the Operating Committee would evaluate the performance of such Overnight Price Bands and

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4 See Securities Exchange Act Release No. 105532 (May 21, 2026), 91 FR 31509 (May 27, 2026) (SR-NYSEARCA-2026-53) ("Arca 23/5 Filing").

5 See Securities Exchange Act Release No. 105596 (June 1, 2026), 91 FR 33774 (June 4, 2026) (File No. 4-631) (Notice of Filing of 27th Amendment to the National Market System Plan).

propose appropriate changes in a new plan amendment.[6] On August 5, 2026, the Commission approved the proposal.[7]

In light of the Commission's approval of these changes to the LULD Plan, the Exchange now proposes to reverse the changes to Rule 7.10-E that were made as part of the Arca 23/5 Filing, and to make several other amendments to Rule 7.10-E in light of the Commission's approval of Overnight Price Bands.

In general, Rule 7.10-E describes the process a market participant may use to request cancellation of a transaction that was "clearly erroneous." The current rule's central premise is that if LULD Price Bands under the LULD Plan were available and correct at the time the transaction was executed, the transaction is not eligible for clearly erroneous review. Specifically, Rule 7.10-E(c)(1) currently provides that "[i]f the execution time of the transaction(s) under review is during the Core Trading Session, the transaction will not be reviewable as clearly erroneous" except in certain limited circumstances, including when (A) the transaction is in an NMS stock that is not subject to the LULD Plan (e.g., rights and warrants), (B) the transaction was executed at a time with LULD Price Bands were unavailable or trading should have been prevented due to a regulatory halt or other halt, or (C) several other limited circumstances.[8] In approving the existing version of the rule, the Commission noted that restricting clearly erroneous review in this way during times when LULD Price Bands were in effect was "consistent with the Act and will further the goal of providing greater certainty to

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6 See id.

7 See Securities Exchange Act Release No. 106042 (August 5, 2026), 91 FR 51515 (August 10, 2026) (File No. 4-631) (Order Granting Approval of the 27th Amendment to the National Market System Plan to Address Extraordinary Market Volatility to Establish Temporary Price Band Protections in Overnight Trading).

8 See Rule 7.10-E(c)(1)(A), (B), and (C).

market participants that trades executed within the Price Bands will stand and not be broken. . . . Thus, the proposal is designed to limit the potential discordance between the LULD mechanism and CEE review process."[9]

Currently, LULD Price Bands are available only during the Core Trading Session, meaning that the restrictions on clearly erroneous review described above apply only during the Core Trading Session. With the introduction of Overnight Price Bands, the Exchange now proposes to extend the existing restrictions on clearly erroneous review to the period when Overnight Price Bands are in place. This proposed change would be consistent with the Commission's rationale in approving the current version of the rule because it would limit any potential discordance between the LULD mechanism and CEE review in the overnight trading session, providing greater certainty to market participants that trades executed with the Overnight Price Bands will stand and not be broken.

Reversal of Changes Made to Rule 7.10-E Pursuant to the Arca 23/5 Filing

As noted above, as part of the Arca 23/5 Filing,[10] the Exchange made changes to Rule 7.10-E to treat transactions executed during the Overnight Trading Session in the same manner as transactions executed during the Early and Late Trading Sessions. Given the Commission's subsequent approval of Overnight Price Bands, the Exchange proposes to reverse each of the changes made to Rule 7.10-E by the Arca 23/5 Filing.[11] As detailed below, this proposal would instead make clearly erroneous review of transactions executed during the Overnight Trading

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9 See Securities Exchange Act Release No. 95658 (September 1, 2022), 87 FR 55060 at 55063 (September 8, 2022) (SR-CboeBZX-2022-037) (Order Approving a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, to Amend BZX Rule 11.17, Clearly Erroneous Executions).

10 See Arca 23/5 Filing, supra note 4.

11 Specifically, the Exchange proposes reversing the changes made by the Arca 23/5 Filing to Rule 7.10-E(c)(2)(A)-(D), (d)(3), and (f).

Session available in a manner similar to transactions executed during the Core Trading Session.

Proposed Changes to Rule 7.10-E(c)(1)

To implement this change, the Exchange proposes to add several definitions to Rule 7.10-E(c)(1). First, the Exchange would add that the term "LULD Protected Hours" includes the Core Trading Session and "Overnight Protected Hours" defined in Section VIII of the LULD Plan. Second, the Exchange would define "LULD Price Bands" or "Price Bands" to mean the Price Bands defined in Section V of the LULD Plan (i.e., the Price Bands that apply during the Core Trading Session) and "Overnight Price Bands" as defined in Section VIII of the LULD Plan (i.e., the Price Bands that apply to the Overnight Protected Hours from 9:00 p.m. ET through 4:00 a.m. ET).

The Exchange proposes to amend the current first sentence of Rule 7.10-E(c)(1) to replace the phrase "Core Trading Session" with "LULD Protected Hours," to provide that "[i]f the execution time of the transaction(s) under review is during LULD Protected Hours, the transaction will not be reviewable as clearly erroneous . . . ." This change would extend the LULD-based restrictions on clearly erroneous review currently in place during the Core Trading Session to the Overnight Protected Hours.

The Exchange also proposes to amend Rule 7.10-E(c)(1)(B)'s reference to "Percentage Parameter" to incorporate the Percentage Parameter that applies to Overnight Protected Hours. The amended provision would provide for the applicability of clearly erroneous review if the price of the transaction to buy (sell) that is the subject of the clearly erroneous complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the applicable Percentage Parameter defined in Appendix A to the LULD Plan (with respect to the Price Bands that apply during the Core Trading Session) or the "Overnight Percentage Parameter defined in

Section VIII of the LULD Plan" (with respect to Overnight Protected Hours).

In addition to these changes, the Exchange also proposes to make a non-substantive change to Rule 7.10-E(c)(1)(A), substituting the term "LULD Plan" for the current text "the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the 'Limit Up-Limit Down Plan' or 'LULD Plan,')" as the "LULD Plan" would be defined in the proposed revision to Rule 7.10-E(c)(1).

Proposed Changes to Rule 7.10-E(c)(2), (d)(3), and (f)

As noted above, current Rule 7.10-E(c)(1)(A) permits clearly erroneous review even during the Core Trading Session when the transaction in question is in an NMS Stock that is not subject to the LULD Plan, i.e., rights and warrants. Such transactions are reviewed for clearly erroneous status using the procedures set out in Rule 7.10-E(c)(2), including the Numerical Guidelines set out in the table accompanying Rule 7.10-E(c)(2)(A). The Exchange now proposes to introduce a similar provision regarding transactions in NMS Stocks not subject to the LULD Plan that are executed during the Overnight Protected Hours; such transactions would be subject to the same Numerical Guidelines as transactions occurring in the Early and Late Trading Sessions.

The heading of Rule 7.10-E(c)(2) currently addresses, in part, the "[r]eview of transactions occurring during the Overnight, Early, or Late Trading Session or eligible for review pursuant to paragraph (c)(1)(A)." The Exchange proposes to remove the reference to the Overnight Trading Session that was added by the Arca 23/5 Filing. The Exchange also proposes to replace the phrase "eligible for review pursuant to paragraph (c)(1)(A)" (which, in the current rule, means transactions executed during the Core Trading Session in NMS Stocks not subject to the LULD Plan) with "during LULD Protected Hours in NMS Stocks not subject to the LULD

Plan." This proposed language would cover transactions in NMS Stocks not subject to the LULD Plan in the Core Trading Session and expand the same treatment to transactions executed in NMS Stocks not subject to the LULD Plan during Overnight Protected Hours. As such, the proposed change is not novel.

The Exchange proposes to make the same changes everywhere else such language appears in the rule – namely, in the text of paragraphs (c)(2)(A), (c)(2)(B), (c)(2)(C), (c)(2)(D), (d)(3), and (f).[12] In each case, the Exchange proposes to remove the reference to the Overnight Trading Session added by the Arca 23/5 Filing and to replace the phrase "eligible for review pursuant to paragraph (c)(1)(A)" with "during LULD Protected Hours in NMS Stocks not subject to the LULD Plan."

The Exchange also proposes to make corresponding changes to the headings of the table accompanying Rule 7.10-E(c)(2)(A). The Exchange proposes to change the heading of the second column from "Core Trading Session Numerical Guidelines for transactions eligible for review pursuant to paragraph (c)(1)(A)" to "Numerical Guidelines for Transactions Executed During the Core Trading Session in NMS Stocks Not Subject to the LULD Plan." This change would simply replace the shorthand "eligible for review pursuant to paragraph (c)(1)(A)" with the fuller description that such transactions are "executed during the Core Trading Session in NMS Stocks not subject to the LULD Plan," and is not a substantive change.

Similarly, the Exchange proposes to change the heading of the third column from "Overnight, Early, and Late Trading Session Numerical Guidelines" to "Numerical Guidelines

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[12] Rule 7.10-E(c)(2)(A)-(D) specifies general rules for applying clearly erroneous review to transactions where such review is not precluded by paragraph (c)(1). Rule 7.10-E(d)(3) specifies conditions where the Exchange may use a revised Reference Price for the purpose of clearly erroneous review in certain transactions where such review is not precluded by paragraph (c)(1). Rule 7.10-E(f) specifies that for transactions where clearly erroneous review is not precluded by paragraph (c)(1), an officer may initiate clearly erroneous review on his or her own motion.

for Transactions Executed During the Early and Late Trading Session or During Overnight Protected Hours in NMS Stocks Not Subject to the LULD Plan." The proposed change removes the reference to the Overnight Trading Session added by the Arca 23/5 Filing and addresses the fact that transactions executed during Overnight Protected Hours in NMS Stocks not subject to the LULD Plan are eligible for clearly erroneous review – just as are transactions in NMS Stocks not subject to the LULD Plan executed during the Core Trading Sesion – but at the Numerical Guidelines that apply outside of the Core Trading Session.

Together, these proposed changes would extend the eligibility of clearly erroneous review for transactions in NMS Stocks not subject to the LULD Plan that is currently in place during the Core Trading Session to the Overnight Protected Hours, and would apply the Commission's recent approval of Overnight Price Bands to the clearly erroneous executions rule.

Implementation

The Exchange understands that the other national securities exchanges and FINRA will also file similar proposals, the substance of which are identical to this proposal. The Exchange proposes that this rule change would become operative at the commencement of 23/5 Trading, which is scheduled to commence industry-wide on December 6, 2026.

2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.[13] Specifically, the proposal is consistent with Section 6(b)(5) of the Act[14] because it would promote just and equitable

[13] 15 U.S.C. 78f(b).

[14] 15 U.S.C. 78f(b)(5).

principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest.

The Exchange believes that the proposed change is consistent with just and equitable principles of trade because it extends the basic premise of the current rule that clearly erroneous review should be generally unavailable any time a transaction is executed within LULD Price Bands at a time the Price Bands were available and correct. Currently, LULD Price Bands are available only during the Core Trading Session, meaning that the restrictions on clearly erroneous review described above apply only during the Core Trading Session. With the Commission's approval of Overnight Price Bands, the Exchange believes that reversing the changes made to the rule by the Arca 23/5 Filing and extending the current restrictions on clearly erroneous review to the period when Overnight Price Bands are in place would remove impediments to and perfect the mechanism of a free and open market and a national market system by enhancing the transparency and consistency of the rule.

The resulting rule would thus extend the LULD-related limits on clearly erroneous review that are applicable in the Core Trading Session to the overnight period. The proposed change would also be consistent with the Commission's rationale in approving the current version of the rule because it would limit any potential discordance between the LULD mechanism and CEE review in the overnight trading session, providing greater certainty to market participants that trades executed with the Overnight Price Bands will stand and not be broken.[15]

[15] See 87 FR 55060 at 55063, supra note 9.

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

The Exchange believes the proposal is consistent with Section 6(b)(8) of the Act[16] in that it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Rather than impacting competition, the proposed change would simply extend the basic premise of the current rule that clearly erroneous review should be generally unavailable any time a transaction is executed within LULD Price Bands at a time the Price Bands were available and correct. The Exchange understands that the other national securities exchanges and FINRA will also file similar proposals, the substance of which are identical to this proposal. Thus, the proposed rule change will help to ensure consistency across SROs without implicating any competitive issues.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[17] and Rule 19b-4(f)(6) thereunder.[18] Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to

16 15 U.S.C. 78f(b)(8).

17 15 U.S.C. 78s(b)(3)(A)(iii).

18 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)[19] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),[20] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

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)[21] of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

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-2026-97 on the subject line.

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19 17 CFR 240.19b-4(f)(6).

20 17 CFR 240.19b-4(f)(6)(iii).

21 15 U.S.C. 78s(b)(2)(B).

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-2026-97. 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-2026-97 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.[22]

Sherry R. Haywood,

Assistant Secretary.

[22] 17 CFR 200.30-3(a)(12).