SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104362; File No. SR-NYSEARCA-2025-82]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Lower the Options Regulatory Fee (ORF)

December 11, 2025.

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 December 1, 2025, NYSE Arca, Inc. ("NYSE Arca" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend the NYSE Arca Options Fee Schedule ("Fee Schedule") regarding the Options Regulatory Fee ("ORF"). The proposed rule change is available on the Exchange's website at www.nyse.com 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 it received on the proposed rule change. The text of those statements may be examined at the

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

2 15 U.S.C. 78a.

3 17 CFR 240.19b-4.

places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The Exchange proposes to amend the Fee Schedule to decrease the ORF from $0.0038 per contract to $0.0026 per contract, effective on January 1, 2026, and to provide for a temporary waiver of the ORF for the month leading up to such change, from December 1, through December 31, 2025 (the "Waiver Period").[4]

Background

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

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4 See proposed Fee Schedule, NYSE Arca GENERAL OPTIONS and TRADING PERMIT (OTP) FEES, REGULATORY FEES, Options Regulatory Fee ("ORF"). The Exchange proposes to modify the Fee Schedule to provide for a waiver of ORF from December 1 through December 31, 2025, and to provide that the ORF rate would be $0.0026 when the Exchange resumes assessing ORF on January 1, 2026.

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

amount of ORF collection to ensure that this amount, in combination with other regulatory fees and fines, does not exceed regulatory costs.

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

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

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

proprietary transactions) of its regulatory program.

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

Proposed Rule Change

Earlier this year, the Exchange temporarily reduced the ORF from $0.0038 per contract to $0.0023 per contract through December 31, 2025, after which date the ORF would revert to the rate of $0.0038 per contract.[9] Based on the Exchange's recent review of regulatory costs, ORF collections, and options transaction volume, the Exchange proposes to decrease the ORF from $0.0038 per contract to $0.0026 per contract effective January 1, 2026 and, in concert with the proposed reduction of the ORF, to waive the ORF from December 1 through December 31, 2025 in order to help ensure that the amount collected from the ORF, in combination with other

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8 See Fee Schedule, note 6, supra.

9 See Securities Exchange Act Release No. 103506 (July 21, 2025), 90 FR 34942 (July 24, 2025) (SR-NYSEARCA-2025-52) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Temporarily Lower the Options Regulatory Fee (ORF)).

regulatory fees and fines, does not exceed the Exchange's total regulatory costs. The Exchange notified OTP Holders of the proposed temporary waiver of the ORF via Trader Update on October 31, 2025 (which was at least 30 calendar days prior to the proposed operative date of the waiver, December 1, 2025)[10] and will also notify OTP Holders of the proposed change to the ORF rate via Trader Update at least 30 days prior to the proposed operative date of the new rate, January 1, 2026. The Exchange believes such notices will ensure that market participants have sufficient opportunity to configure their systems to account properly for both the ORF waiver and revised ORF.

The proposed modification of the ORF and accompanying waiver are informed by the Exchange's analysis of recent options volumes. Based on the Exchange's recent review of regulatory costs, ORF collections, and options transaction volume, the Exchange proposes to waive the ORF for the period December 1 through December 31, 2025 and, when ORF collection resumes on January 1, 2026, reduce the ORF to $0.0026 per contract to help ensure that the amount collected from the ORF, in combination with other regulatory fees and fines, does not exceed the Exchange's total regulatory costs. The proposed change to the ORF is based on the Exchange's analysis of recent options volumes and its regulatory costs. The Exchange believes that, if the ORF is not adjusted as proposed, ORF collection year over year could exceed a material portion of the Exchange's ORF costs. Although the Exchange earlier this year temporarily reduced the ORF, persisting increased options volumes have impacted the Exchange's ORF collection. As shown in the table below, during the second half of 2025, options trading volumes remained at elevated levels.[11]

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10 See https://www.nyse.com/trader-update/history#110000952389.

11 The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-

	June 2025	July 2025	Aug. 2025	Sept. 2025	Oct. 2025
Customer ADV	45,453,622	47,242,125	50,273,952	56,005,046	61,209,858
Total ADV	50,576,203	51,516,242	54,909,360	61,298,900	67,192,745

Because of the sustained impact of trading volumes that have persisted through 2025, the Exchange proposes to waive the ORF from December 1 through December 31, 2025 to help ensure that ORF collection will not exceed ORF Costs for 2025. The Exchange cannot predict whether options volumes will remain at current levels going forward and projections for regulatory costs are estimated, preliminary, and may change. However, the Exchange believes that this proposed change would allow the Exchange to continue to monitor the amount collected from the ORF to help ensure that ORF collection, in combination with other regulatory fees and fines, does not exceed regulatory costs for 2025.

In addition, the Exchange believes that it has sufficient information based on recent options transaction volume to determine how to adjust the ORF for 2026. Taking into consideration both the sustained increase in options transaction volume, which has persisted through 2025 (and which has translated to increased ORF collection), the Exchange proposes to decrease the ORF from $0.0038 to $0.0026 per contract, effective January 1, 2026. The Exchange further proposes to make this change effective on January 1, 2026 and to not assess any ORF during the Waiver Period, rather than further adjusting the ORF for the duration of the Waiver Period, as the Exchange believes this proposal would most efficiently accomplish the goals of ensuring that ORF collection does not exceed ORF Costs for 2025 and modifying the

and-Open-Interest/Monthly-Weekly-Volume-Statistics. The volume discussed in this filing is based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of ETF-based options, in contract sides.

ORF rate so that the Exchange may assess an ORF that is designed to recover a material portion, but not all, of the Exchange's projected ORF Costs when the Exchange resumes assessing ORF on January 1, 2026.

The proposed decrease in ORF is based on the Exchange's estimated projections for its regulatory costs, balanced with the observed increase in options volumes. The Exchange cannot predict whether options volume will remain at the current level going forward and projections for future regulatory costs are estimated, preliminary, and may change. However, the Exchange believes that amounts collected from assessment of the ORF (as modified) will continue to cover a material portion, but not all, of the Exchange's ORF Costs. In addition, because of the sustained impact of the elevated trading volumes that have persisted into 2025, along with the difficulty of predicting when volumes may return to more normal levels, the Exchange believes that waiving ORF from December 1 to December 31, 2025 and implementing the reduced ORF rate of $0.0026 on January 1, 2026 would lessen the potential for generating excess funds and help ensure that the ORF is designed to recover a material portion, but not all, of the Exchange's projected ORF Costs. The Exchange will continue monitoring ORF Costs in advance of the resumption of the ORF and when it resumes assessing ORF on January 1, 2026, and, if the Exchange determines that, in light of projected volumes and ORF Costs, the ORF rate should be further modified to help ensure that ORF collections would not exceed a material portion of ORF Costs, adjust the ORF by submitting a proposed rule change and notifying OTP Holders of such change by Trader Update.

Potential ORF Reform

As it has previously noted,[12] the Exchange appreciates the evolving changes in the

[12] See note 9, supra.

markets and regulatory environment and, in connection with industry and other feedback, is continuing to evaluate the current methodologies and practices for the assessment and collection of ORF. The Exchange continues to believe ORF reform is appropriate, including moving to a model in which ORF would be assessed only to transactions occurring on the Exchange, which would allow for consistent industry billing. The Exchange intends to file a proposed rule change by the first quarter of 2026 to transition to a new, modified model, provided that a consistent framework has been established with the SEC and necessary regulatory filings submitted. Until that time, the Exchange believes it is fair and reasonable to waive the ORF during the Waiver Period and to decrease the current ORF under the existing model, effective January 1, 2026, while the Exchange continues to discuss its anticipated, or potential alternative, ORF methodology with relevant stakeholders.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b)[13] of the Act, in general, and Section 6(b)(4) and (5)[14] of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers, or dealers.

The Exchange believes the proposed reduction of the ORF to $0.0026 per contract, effective January 1, 2026, and accompanying temporary waiver of the ORF is reasonable, equitable, and not unfairly discriminatory. As noted above, the ORF is designed to recover a material portion, but not all, of the Exchange's ORF Costs. Although there can be no

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

14 15 U.S.C. 78f(b)(4) and (5).

assurance that the Exchange's final costs for 2025 will not differ materially from its expectations and prior practice, nor can the Exchange predict with certainty whether options volume will remain at current or similar levels going forward, the Exchange believes that the amount collected based on the current ORF rate, when combined with regulatory fees and fines, may result in collections in excess of the estimated ORF Costs for the year and going forward. Particularly, as noted above, the options market has continued to experience elevated volumes in 2025, thereby resulting in higher ORF collections than projected, even at the current, temporarily decreased ORF rate. The Exchange therefore proposes to decrease the ORF from $0.0038 per contract to $0.0026 per contract effective January 1, 2026, and, in connection with that change, to waive ORF from December 1 through December 31, 2025 to help ensure that ORF collection does not exceed a material portion of the ORF Costs for 2025 and facilitate the efficient implementation of a revised ORF rate designed to recover a material portion, but not all, of the Exchange's projected ORF Costs.

The Exchange proposes to make the new ORF rate effective on January 1, 2026 and to not assess any ORF during the Waiver Period, rather than further adjusting the ORF for the duration of the Waiver Period, as the Exchange believes this proposal would most efficiently accomplish these objectives. The Exchange believes that not assessing ORF during the Waiver Period and taking into account all of the Exchange's other regulatory fees and fines would allow the Exchange to continue covering a material portion of ORF Costs, while lessening the potential for generating excess funds that may otherwise occur using the current rate. The proposed new ORF rate of $0.0026 per contract is based on the Exchange's estimated projections for its regulatory costs, balanced with the increase in options volumes that has persisted into 2025 and that is likely to continue into 2026; the Exchange thus believes that resumption of the ORF at this rate on January 1, 2026 would permit the Exchange to resume assessing an ORF that is designed to recover a material portion, but not all, of the Exchange's projected ORF Costs. The Exchange would continue monitoring ORF Costs in advance of the resumption of the ORF and when it resumes assessing ORF on January 1, 2026 and, if the Exchange determines that, in light of projected volumes and ORF Costs, the ORF rate should be further modified to help ensure that ORF collections would not exceed a material portion of ORF Costs, further adjust the ORF by submitting a proposed rule change and notifying OTP Holders of such change by Trader Update.

The Exchange believes its proposal is an equitable allocation of fees among its market participants and is not unfairly discriminatory. The Exchange believes that the proposed rule change would not place certain market participants at an unfair disadvantage because it would apply equally to all OTP Holders subject to the ORF on all their transactions that clear in the Customer range at the OCC and would allow the Exchange to continue to monitor the amount collected from the ORF to help ensure that ORF collection, in combination with other regulatory fees and fines, does not exceed regulatory costs. The proposed change would permit the Exchange to efficiently adjust the ORF, which is applicable to all OTP Holders' transactions that clear in the Customer range at the OCC, to an amount designed to recover a material portion, but not all, of the Exchange's projected ORF Costs. The Exchange also believes that recommencing the ORF at the decreased rate of $0.0026 per contract effective January 1, 2026, unless the Exchange determines it necessary to further adjust the ORF to help ensure that ORF collections do not exceed a material portion of ORF Costs, is equitable and not unfairly discriminatory because the ORF would resume applying equally to all OTP Holders on options transactions in the Customer range, at a rate designed to recover a material portion, but not all, of the

Exchange's projected ORF Costs. The Exchange also will provide all OTP Holders with 30 days' advance notice of the planned change to the ORF.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition. The Exchange believes the proposed change would not impose an undue burden on intramarket competition because the ORF is charged to all OTP Holders on all their transactions that clear in the Customer range at the OCC; thus, the amount of ORF imposed is based on the amount of Customer volume transacted. The Exchange believes that the proposed reduction of the ORF rate and temporary waiver of the ORF would not place certain market participants at an unfair disadvantage because all options transactions must clear via a clearing firm. Such clearing firms can then choose to pass through all, a portion, or none of the cost of the ORF to its customers, i.e., the entering firms. The ORF is collected from OTP Holder clearing firms by the OCC on behalf of NYSE Arca and is assessed on all options transactions cleared at the OCC in the Customer range. The Exchange also believes recommencing the ORF on January 1, 2026 at $0.0026 per contract (unless the Exchange determines it necessary at that time to adjust the ORF to help ensure that ORF collections do not exceed a material portion of ORF Costs) would not impose an undue burden on competition because the proposed decreased rate would apply equally to all OTP Holders subject to ORF and would permit the Exchange to resume assessing an ORF that is designed to recover a material portion, but not all, of the Exchange's projected ORF Costs and the ORF would, as currently, apply to all OTP Holders on their options transactions that clear in the Customer range at the OCC. The Exchange will continue to provide advance notice of changes to the ORF to all OTP Holders via Trader Update to provide OTP Holders with sufficient opportunity to configure their systems to account properly for both the Waiver Period and resumption of ORF at a new, lower rate on January 1, 2026.

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

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[15] and paragraph (f) of Rule 19b-4[16] thereunder. 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. If the Commission takes such action, the Commission will institute proceedings 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:

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

16 17 CFR 240.19b-4(f).

Electronic Comments:

- Use the Commission's internet comment form (https://www.sec.gov/rules/sro.shtml); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEARCA-2025-82 on the subject line.

Paper Comments:

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

All submissions should refer to file number SR-NYSEARCA-2025-82. 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-2025-82 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.[17]

Sherry R. Haywood,

Assistant Secretary.

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