

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105657; File No. SR-NYSEARCA-2026-61]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the NYSE Arca Equities Fees and Charges

June 11, 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 June 1, 2026, 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, II, and III 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 Equities Fees and Charges (“Fee Schedule”) to modify the application of the Ratio Threshold Fee. 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

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The Exchange proposes to amend the Fee Schedule to modify the application of the Ratio Threshold Fee, which applies to Auction-Only Orders during the period when auction imbalance information is being disseminated for a Core Open Auction or Closing Auction.⁴

The Exchange proposes to implement the fee changes effective June 1, 2026.

Background

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.”⁵

⁴ See Securities Exchange Act Release No. 103938 (September 10, 2025), 90 FR 44442 (September 15, 2025) (SR-NYSEARCA-2025-69). The Ratio Threshold Fee was originally adopted in 2020. See Securities Exchange Act Release No. 88930 (May 21, 2020), 85 FR 32068 (May 28, 2020) (SR-NYSEARCA-2020-45). The Ratio Threshold Fee was subsequently modified in 2023. See Securities Exchange Act Release No. 97681 (June 9, 2023), 88 FR 39275 (June 15, 2023) (SR-NYSEARCA-2023-39).

⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (File No. S7-10-04) (Final Rule) (“Regulation NMS”).

While Regulation NMS has enhanced competition, it has also fostered a “fragmented” market structure where trading in a single stock can occur across multiple trading centers. When multiple trading centers compete for order flow in the same stock, the Commission has recognized that “such competition can lead to the fragmentation of order flow in that stock.”⁶ Indeed, equity trading is currently dispersed across 17 exchanges,⁷ numerous alternative trading systems,⁸ and broker-dealer internalizers and wholesalers, all competing for order flow. Based on publicly available information, no single exchange currently has more than 20% market share.⁹ Therefore, no exchange possesses significant pricing power in the execution of equity order flow. More specifically, the Exchange currently has less than 15% market share of executed volume of equities trading.¹⁰

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can move order flow, or discontinue or reduce use of certain categories of products, based on transaction fees and credits. Accordingly, the Exchange’s fees, including the proposed modification to the Ratio Threshold Fee, are reasonably constrained by competitive alternatives and market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable.

⁶ See Securities Exchange Act Release No. 61358, 75 FR 3594, 3597 (January 21, 2010) (File No. S7-02-10) (Concept Release on Equity Market Structure).

⁷ See Cboe U.S Equities Market Volume Summary, available at https://markets.cboe.com/us/equities/market_share. See generally <https://www.sec.gov/fast-answers/divisionsmarketregmrexchangesshtml.html>.

⁸ See FINRA ATS Transparency Data, available at <https://otctransparency.finra.org/otctransparency/AtsIssueData>. A list of alternative trading systems registered with the Commission is available at <https://www.sec.gov/foia/docs/atlist.htm>.

⁹ See Cboe Global Markets U.S. Equities Market Volume Summary, available at http://markets.cboe.com/us/equities/market_share/.

¹⁰ See *id.*

Proposed Rule Change

The Ratio Threshold Fee currently applies to shares of Auction-Only Orders¹¹ during the period when Auction Imbalance information is being disseminated for a Core Open Auction or Closing Auction (“RT- Auction Fee”).

The purpose of the RT - Auction Fee is the same as it was since it was originally adopted, e.g., to disincentivize the cancellation of shares close to the commencement of the Opening Auction and the Closing Auction. Under the current formula, shares cancelled nearer to the Opening Auction and the Closing Auction are weighted more heavily than those cancelled earlier.¹² The RT - Auction Fee is currently calculated based on the number of shares cancelled by an ETP Holder. An ETP Holder is charged the fee if its average daily cancelled shares reach 500,000 shares and its Weighted Ratio Shares Threshold reaches 25. However, the current calculation produces distorted results in certain cases, as described below. To address such edge cases, the Exchange proposes to modify how the RT - Auction Fee is calculated.

More specifically, the Exchange proposes to add a second threshold: an ETP Holder would be charged a fee only if both its average daily cancelled shares and its average daily weighted cancelled shares each equal or exceed 500,000. As proposed, an ETP Holder would be charged an RT - Auction Fee if the ETP Holder has an average daily number of cancelled shares

¹¹ An Auction-Only Order is a Limit or Market Order that is to be traded only within an auction pursuant to Rule 7.35-E or routed pursuant to Rule 7.34-E. See Rule 7.31-E(c). Auction-Only Orders are orders submitted by an ETP Holder during the Early Open Auction, Core Open Auction, Closing Auction and Trading Halt Auction. See Rule 7.35-E.

¹² The current fee focuses on Auction-Only Orders because a disproportionate amount of such orders that are not executed use more system resources, including updates to the Auction Imbalance Information as such orders are entered and cancelled, than other order entry and cancellation practices of ETP Holders. Accordingly, for Auction-Only Orders, Ratio Shares would include shares of Auction-Only Orders cancelled during the period when Auction Imbalance Information is being disseminated for the Core Open Auction and Closing Auction. The proposed modification to the calculation method would maintain the same focus and is intended to disincentivize the activity noted above.

of 500,000 or more and an average daily number of weighted cancelled shares of 500,000 or more for each auction.

The current formula can produce a distorted result when an ETP Holder cancels a large number of shares but executes very few. For example, an ETP Holder that cancels 1,000,000 shares — yielding only 100 weighted shares under the formula — but executes just 1 share would have a Weighted Ratio Shares Threshold of 100, triggering the fee even though its actual market impact is minimal. The proposed dual threshold addresses this distortion by ensuring the fee applies only when both raw and weighted cancellation activity are substantial.

In revising how the RT - Auction Fee would be calculated, the Exchange also proposes to modify the definition of “Weighted Ratio Shares Threshold” to address a gap in the current formula. The current definition does not account for an ETP Holder that does not execute any shares during the billing month. Currently, the threshold is calculated by dividing an ETP Holder’s total Weighted Ratio Shares by its total executed shares, which leaves the ratio undefined when an ETP Holder executes zero shares (division by zero). To address this, the Exchange proposes to add the following sentence to the current definition: “If no shares are executed in an auction by the ETP Holder, a value of 1 will be used in the denominator.” For example, an ETP Holder with 1,000,000 Weighted Ratio Shares and 0 shares executed would have a threshold of 1,000,000 rather than an undefined value.

The Exchange’s proposed modifications are intended to more precisely target the order entry practices that impose costs on other market participants. The Exchange believes the proposed modification to the calculation of the RT - Auction Fee will continue to strengthen the Exchange’s goal of providing a more efficient marketplace and enhance the trading experience of all ETP Holders by encouraging them to more efficiently participate on the Exchange.

The purpose of the Ratio Threshold Fee is not to create revenue, but rather to provide an incentive for a small number of ETP Holders to change their order entry practices. Based on an analysis of order entry practices by ETP Holders between January 2026 and April 2026, only 4 ETP Holders would have incurred the RT - Auction Fee, as modified by this proposed rule change. The Exchange does not anticipate the proposed recalibration would subject any additional ETP Holders to the RT - Auction Fee.

The Ratio Threshold Fee is intended to encourage efficient usage of Exchange systems by ETP Holders. The Exchange believes that it is in the best interests of all ETP Holders and investors who access the Exchange to encourage efficient systems usage. Unproductive share entry and cancellation practices, such as when ETP Holders flood the market with orders that are frequently and/or rapidly cancelled, do little to support meaningful price discovery, may create investor confusion about the extent of trading interest in a security. The Exchange further believes that inefficient order entry practices of a small number of ETP Holders may place excessive burdens on Exchange systems and to the systems of other ETP Holders that are ingesting market data, while also negatively impacting the usefulness of market data feeds that transmit each order and subsequent cancellation.¹³ ETP Holders with an excessive amount of cancelled shares relative to executed shares do little to support meaningful price discovery.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of

¹³ See generally Recommendations Regarding Regulatory Responses to the Market Events of May 6, 2010, Joint CFTC-SEC Advisory Committee on Emerging Regulatory Issues, at 11 (February 18, 2011) (“The SEC and CFTC should also consider addressing the disproportionate impact that [high frequency trading] has on Exchange message traffic and market surveillance costs.... The Committee recognizes that there are valid reasons for algorithmic strategies to drive high cancellation rates, but we believe that this is an area that deserves further study. At a minimum, we believe that the participants of those strategies should properly absorb the externalized costs of their activity.”).

the Act,¹⁴ in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,¹⁵ 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.

As discussed above, the Exchange operates in a highly fragmented and competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient, and the Exchange represents only a small percentage of the overall market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, 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.”¹⁶

The proposed modification to the RT-Auction Fee is reasonable for two reasons. First, it is designed to improve liquidity quality in advance of auctions for the benefit of all market participants. Second, it more precisely identifies the unproductive order entry behavior the fee was designed to target, ensuring the fee falls only on ETP Holders whose cancellation activity — measured both in raw and weighted terms — is genuinely disruptive. Any affected ETP Holder can avoid the fee by adjusting its order entry and/or cancellation practices, which would itself advance the fee’s purpose.

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(4) and (5).

¹⁶ See Regulation NMS, supra note 5, 70 FR at 37499.

As a general principle, the Exchange believes that greater participation on the Exchange by ETP Holders improves market quality for all market participants. Thus, in modifying the current fee, the Exchange balanced the desire to improve market quality against the need to discourage inefficient order entry and/or cancellation practices.

The Exchange believes that the proposed change to the RT - Auction Fee is equitably allocated among its market participants because it applies equally to all similarly situated ETP Holders. Although only a small number of ETP Holders may be subject to the RT - Auction Fee based on their current trading practices, any ETP Holder could decide to change its order entry practices at any time and thus avoid the fee. The fee is therefore designed to encourage better order entry practices by all ETP Holders for the benefit of all market participants.

The Exchange believes that the proposed change to the RT - Auction Fee is not unfairly discriminatory. In the prevailing competitive environment, ETP Holders are free to disfavor the Exchange's pricing if they believe that alternatives offer them better value and are free to transact on competitor markets to avoid being subject to the Exchange's fees that are the subject of this proposed rule change. The Exchange believes that the proposed fee changes neither targets nor will it have a disparate impact on any particular category of market participant. The Exchange believes that the proposal does not permit unfair discrimination because it would be applied to all similarly situated ETP Holders, who would all be subject to the fee on an equal basis. All ETP Holders would continue to be subject to the same fee structure, and access to the Exchange's market would continue to be offered on fair and non-discriminatory terms.

For the foregoing reasons, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) and (5) of the Act.

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

In accordance with Section 6(b)(8) of the Act,¹⁷ the Exchange believes that the proposed rule change would not 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 to the RT - Auction Fee would not place any undue burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed fee change is designed to encourage ETP Holders to submit shares into the market that are actionable. Further, the proposal would apply to all ETP Holders on an equal basis, and, as such, the proposed change would not impose a disparate burden on competition among market participants on the Exchange. To the extent that these purposes are achieved, the Exchange believes that the proposal would serve as an incentive for ETP Holders to modify their order entry practices, thus enhancing the quality of the market and increasing the volume of orders directed to, and shares executed on, the Exchange. In turn, all the Exchange's market participants would benefit from the improved market liquidity.

Intermarket Competition. The Exchange operates in a highly competitive market in which market participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. As noted above, the Exchange's market share of intraday trading (i.e., excluding auctions) is currently less than 15%. In such an environment, the Exchange must continually review, and consider adjusting its fees and rebates to remain competitive with other exchanges and with off-exchange venues. Because competitors are free to modify their own fees and credits in response, the

¹⁷ 15 U.S.C. 78f(b)(8).

Exchange does not believe its proposed fee change can impose any burden on intermarket competition.

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

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

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

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

IV. Solicitation of Comments

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

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-2026-61 on the subject line.

¹⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁹ 17 CFR 240.19b-4.

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-2026-61. 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-2026-61 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

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

Vanessa A. Countryman,

Secretary.

²⁰ 17 CFR 200.30-3(a)(12).