SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106029; File No. SR-NYSEARCA-2026-80]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Modify the NYSE Arca Options Fee Schedule to Implement a Market Maker/Lead Market Maker Posting Incentive Program for Certain Non-Penny Issues

August 3, 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 July 28 , 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 modify the NYSE Arca Options Fee Schedule ("Fee Schedule") to implement a Market Maker ("MM")/Lead Market Maker ("LMM") (collectively "Market Makers") Posting Incentive Program for certain non-Penny Issues. In addition, the Exchange proposes to eliminate the Customer Against LMM Non-Penny Take Discount on electronic transactions and remove MSCI related Index Options from certain tier discounts and

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

2 15 U.S.C. 78a.

3 17 CFR 240.19b-4.

incentive programs.[4] The Exchange proposes to implement the fee changes effective July 28, 2026. 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 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 modify the Fee Schedule to: (i) implement a Market Maker Posting Incentive Program for electronic non-Penny Issues; (ii) eliminate the Customer Against LMM Non-Penny Take Discount for electronic transactions; and (iii) remove MSCI related Index Options from certain tier discounts and incentive programs.

The Exchange proposes to implement the fee changes effective July 28, 2026.[5]

Market Maker Posting Incentive Program

Currently, LMMs and MMs receive a credit of $0.40 and $0.05, respectively, for posting

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4 In addition, the Exchange proposes non-substantive changes to: (i) remove reference to Endnote 14 on the section title "NYSE Arca OPTIONS: TRADE-RELATED CHARGES FOR STANDARD OPTIONS;" and (ii) amend Endnote 8 to include the definition of "Exchange System Disruption," which is being deleted as a result of the elimination of the Customer Against LMM Non-Penny Take Discount.

5 The Exchange originally filed to amend the Fee Schedule on July 1, 2026 (SR-NYSEARCA-2026-74). SR-NYSEARCA-2026-74 was withdrawn on July 14, 2026 and replaced by SR-NYSEARCA-2026-78. SR-NYSEARCA-2026-78 was withdrawn on July 28, 2026, and replaced by this filing.

liquidity in non-penny issues.[6] In addition, OTP Holders and OTP Firms receive a credit on all executions of non-customer posted interest in non-penny issues. The amount of such credit is outlined in a tier table ($0.32 to $0.82) based on the average number of electronic executions per day.[7]

The Exchange proposes to enhance these credits by adopting the "Market Maker Posting Incentive Program for Designated Non-Penny Issues."[8] Under the program, the Exchange proposes to provide OTP Holders and OTP Firms, acting as a Market Maker, an additional credit on executions on their posted interest in each Designated Non-Penny Issue. The credit will be $0.40 per contract if, when added to the credits received for posting liquidity in non-penny issues, noted above, it exceeds the applicable per contract credit it would receive as an OTP Holder or OTP Firm under the Non-Customer, Non-Penny Posting Credit Tiers. If not, Market Makers will receive a credit equal to the latter. The credit will be in effect until the Designated Non-Penny Issue is added to the Penny Interval Program. The Exchange will provide advance notice to Market Makers of additions to the Penny Interval Program via Trader Update.

The credit is intended to address the fact that, while there will be Market Maker engagement in eligible Designated Non-Penny Issues, that engagement is not evenly distributed across trading venues. The Exchange has experienced instances in which its share of trading in a Designated Non-Penny Issue was significantly lower than its overall market share calling into

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6 See Fee Schedule, "NYSE Arca Options: Trade-Related Charges For Standard Options, Transaction Fee For Electronic Executions - Per Contract."

7 See Fee Schedule, "NYSE Arca Options: Trade-Related Charges For Standard Options, Non-Customer, Non-Penny Posting Credit Tiers."

8 See Fee Schedule, proposed Market Maker Posting Incentive Program for Designated Non-Penny Issues. Per proposed Endnote 14, "Designated Non-Penny Issues" include all non-penny issues that trade greater than 1 million contracts in industry volume, as reported by the Options Clearing Corporation ("OCC") on their first day of listing. For example, Space Exploration Technologies Corp. (symbol: SPCX) would be eligible for the program, having traded 1,727,086 contracts on June 16, 2026, its first day of listing.

question its competitiveness with rebates and credits offered by other exchanges in newly listed, non-Penny symbols. The proposed program is intended to address this disparity and encourage tighter markets and greater trading interest on the Exchange during this period. The credit will no longer be necessary once the Designated Non-Penny Issue has been moved to the Penny Interval Program, since the Exchange has found that its existing pricing structure has proven effective in attracting order flow. The incentive is designed specifically to address the competitive disparity that exists during the non-Penny interval timespan, prior to the narrowing of the tick size.

The Exchange is adopting this incentive program to encourage Market Makers to provide robust liquidity in high volume new listings. The aim is to ensure that new issues experiencing significant volume on their first day of trading benefit from Market Maker participation and tighter markets until they transition to the Penny Interval Program.

Customer Against LMM Non-Penny Take Discount

As set forth in the Fee Schedule, there is an $0.85 fee for Customer electronic executions in non-penny issues.[9] For Customer executions that take liquidity in a non-Penny class from the trading interest of an LMM (including orders and quotes) a $0.67 fee is charged if the OTP Holder or OTP Firm entering the Customer's order during the month, (i) executes an average daily volume ("ADV") on the Exchange of at least 15,000 contracts from electronic Customer orders that take liquidity in non-Penny classes or (ii) executes a combined ADV on the Exchange of at least 30,000 contracts in non-Penny classes from electronic Customer orders that take liquidity and affiliated electronic Market Maker orders and quotes that post liquidity in non-Penny classes.[10] In essence, the disparate pricing provides an $0.18 discount for Customer

9 See Fee Schedule, "NYSE Arca Options: Trade-Related Charges For Standard Options, Transaction Fee For Electronic Executions - Per Contract."

10 Id.

transactions against an LMM.

The Exchange proposes to remove the separate pricing for Customer electronic transactions against an LMM and its related discount. The purpose of the disparate pricing and discount was to attract additional Customer order flow to the Exchange. However, the discount has not proved effective and has not been achieved by any participants in over two years. Accordingly, the Exchange is removing it and simplifying the Non-Penny Fee schedule.

MSCI Tier Discounts

Currently, the Exchange lists a number of index options for which an MSCI index is the underlying security (*i.e.*, MSCI EAFE Index (MXEA), MSCI Emerging Markets Index (MXEF), MSCI World Index (MXWLD), MSCI ACWI Index (MXACW) add MSCI USA Index (MXUSA)) (collectively the "MSCI Index Options"). The Exchange has initiated a plan to remove MSCI products from the multiply-listed Arca tier treatment to ultimately create MSCI-specific tiers consistent with Index product-specific tier structures employed at other exchanges, such as CBOE's fee structure regarding Indexes (SPX, VIX, etc.).[11]

As an initial step in this process, the Exchange proposes to amend Endnote 19 to explicitly exclude transactions in MSCI Index Options from applicable credit tiers and incentive programs (*i.e.*, Non-Customer, Non-Penny Posting Credit Tiers, Customer Incentive Program, Customer Posting Credit Tiers in Non-Penny Issues, Customer Take Fee Discount Tiers, Discount in Take Liquidity Fees For Professional Customer and Non-Customer Liquidity Removing Interest, Discount on Non-Customer Complex Surcharge and Customer Complex Credit Tiers).[12]

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11 See CBOE Fee Schedule at Cboe_FeeSchedule.pdf.

12 See Fee Schedule proposed Endnote 19.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[13] in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,[14] 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 a threshold matter, the Exchange is subject to significant competitive forces in the market for options securities transaction services that constrain its pricing determinations in that 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."[15]

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.[16] Therefore, currently no exchange possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in May 2026, the

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

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

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

16 The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available at: https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics.

Exchange had 10.64% market share of executed volume of multiply-listed equity and ETF options order flow. In such a low concentrated and highly competitive market, no single options exchange possesses significant pricing power in the execution of option order flow.

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. In response to this competitive marketplace, the Exchange has established incentives, such as the Market Maker Posting Incentive Program for Designated Non-Penny Issues, to encourage market maker participation and tighter markets to induce participants to direct order flow in certain products to the Exchange.

The Exchange also believes the proposed Market Maker Posting Incentive Program is an equitable allocation of its fees and credits because the proposed credit is based on the amount and type of business transacted on the Exchange and all Market Makers can try to earn the proposed credit, or not. The Program is intended to encourage Market Makers to provide robust liquidity in high volume new listings so as to ensure that new issues experiencing significant volume on their first day of trading and thereafter to benefit from Market Maker participation and tighter markets until they transition to the Penny Interval Program.

To the extent that the proposed change provides tighter spreads and attracts more activity to the Exchange, this increased order flow would continue to make the Exchange a more competitive venue. Thus, the Exchange believes the proposed rule change would improve market quality for all market participants on the Exchange and, accordingly, attract more order flow to the Exchange thereby improving market-wide quality and price discovery.

Additionally, the modifications continue 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 market participants. The proposed changes take into account that the Exchange operates in a highly competitive market and that it must, therefore, continually adjust its fees and rebates to remain competitive with other exchanges and to attract order flow to the Exchange. The Exchange believes that the proposed rule change reflects this competitive environment.

The Exchange also believes that the Market Maker Posting Incentive Program is not unfairly discriminatory, as it would apply equally to all Market Makers. The Exchange further believes that the proposed incentive available to Market Makers is not unfairly discriminatory to other market participants because it is intended to encourage the role performed by Market Makers in providing robust liquidity and encourage tighter spreads on the Exchange to the benefit of all market participants.

The Exchange also believes that the elimination of the Customer Against LMM Non-Penny Take Discount and removal of MSCI Index Options from certain credit tiers and incentive programs is reasonable, equitable, and not unfairly discriminatory. Their elimination and removal provide 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 OTP Holders and OTP Firms.

Finally, their elimination and removal will apply equally to all affected market participants because it would impact all market participants equally. Moreover, removal from the tiers is designed to facilitate trading and to promote continuity for market participants in MSCI Options. The proposed changes would apply to all similarly situated market participants that trade MSCI Options, and, accordingly, the proposed changes would not impose a disparate burden on competition among market participants on the Exchange.

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.

Intramarket Competition. The increase in credits under the proposed Market Maker Posting Incentive Program for Designated Non-Penny Issues are designed to continue to attract order flow to the Exchange by offering Market Makers an incentive to continue to provide robust liquidity in certain products to the benefit of all market participants. The proposed credit enhancement would apply equally to all similarly situated market participants and encourage the important function that market makers serve in providing liquidity and price discovery for all market participants.

In addition, the Exchange believes that the proposed elimination of the Customer Against LMM Non-Penny Take Discount and removal of MSCI Index Options from certain credit tiers and incentive programs would not affect intramarket competition because, as noted above, the Discount has not effectively encouraged increased Customer order flow to the Exchange and both would impact all market participants equally and, therefore, would not impose a disparate burden on competition among market participants on the Exchange.

Finally, the Exchange believes that the proposed alignment of the Fee Schedule with the removal of MSCI Options from the Exchange’s tier treatment would not affect intramarket competition because, as noted above, it would impact all market participants equally. Moreover, this change is designed to facilitate trading and to promote continuity for market participants in

MSCI Options. The proposed changes would apply to all similarly situated market participants that trade MSCI Options, 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 17 competing option exchanges if they deem fee levels at a particular venue 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. Therefore, currently no exchange possesses significant pricing power in the execution of multiply listed equity and ETF options order flow. More specifically, in May 2026, the Exchange had 10.64% market share of executed volume of multiply listed equity and ETF options order flow.

The proposed credit under the Market Maker Posting Incentive Program for Designated Non-Penny Issues is designed to encourage Market Makers to provide robust liquidity in high volume new listings. The aim is to ensure that new issues experiencing significant volume on their first day of trading benefit from Market Maker participation and tighter markets. To the extent it achieves this and attracts more 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, improve market-wide quality and price discovery.

In addition, the Exchange believes that the elimination of the Customer Against LMM Non-Penny Take Discount and the removal of the MSCI Index Options from certain tier credits and incentive programs would not affect intermarket competition. As noted above, the Exchange operates in a highly competitive market in which the Exchange must continually adjust its fees and rebates to remain competitive with other exchanges and to attract order flow to the Exchange. The Exchange believes that the proposed rule change reflects this competitive environment because it removes an underutilized program that did not achieve its intended purpose.

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 is effective upon filing pursuant to Section 19(b)(3)(A)[17] of the Act and subparagraph (f)(2) of Rule 19b-4[18] thereunder, 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)[19] of the Act to determine whether the proposed rule change should be approved or disapproved.

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

18 17 CFR 240.19b-4(f)(2).

19 15 U.S.C. 78s(b)(2)(B).

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-2026-80 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-2026-80. 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-2026-80 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

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

Sherry R. Haywood,

Assistant Secretary.

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[20] 17 CFR 200.30-3(a)(12).