

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 18

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

File No. \* SR 2024 - \* 111

Amendment No. (req. for Amendments \*)

Filing by NYSE Arca, Inc.

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

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010  
Section 806(e)(1) \*

Section 806(e)(2) \*

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

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

**Description**

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

Proposal to modify the NYSE Arca Options Fee Schedule

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \* Le-Anh Last Name \* Bui

Title \* Senior Counsel, NYSE Group Inc.

E-mail \* Le-Anh.Bui@ice.com

Telephone \* (202) 661-8953 Fax (212) 656-8101

**Signature**

Pursuant to the requirements of the Securities Exchange of 1934, NYSE Arca, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 12/11/2024

(Title \*)

By David De Gregorio

Associate General Counsel

(Name \*)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

David De Gregorio

Digitally signed by David De Gregorio  
Date: 2024.12.11 13:43:38 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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SEC Sub of 19b-4 NYSE Arca MM Ma

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

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Ex. 1 SEC Sub of 19b-4 NYSE Arca M

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2- Notices, Written Comments, Transcripts, Other Communications**

Add Remove View

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

**Exhibit 3 - Form, Report, or Questionnaire**

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

**Exhibit 4 - Marked Copies**

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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Ex. 5 SEC Sub of 19b-4 NYSE Arca M

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

- (a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) proposes to modify the NYSE Arca Options Fee Schedule (“Fee Schedule”) regarding the charges applicable to Manual executions by NYSE Arca Market Makers. The Exchange proposes to implement the fee change effective December 11, 2024.<sup>3</sup>

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached as Exhibit 5.

- (b) The Exchange does not believe that the proposed rule change would have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Le-Anh Bui  
Senior Counsel  
NYSE Group, Inc.  
(202) 661-8953

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

- (a) Purpose

The purpose of this filing is to modify the Fee Schedule regarding the fee for

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The Exchange previously filed to amend the Fee Schedule on November 29, 2024 (SR-NYSEARCA-2024-105), for December 2, 2024 effectiveness, and withdrew such filing on December 11, 2024.

Manual executions by NYSE Arca Market Makers (“Market Makers”). Currently, Market Makers are charged \$0.35 per contract for Manual executions.<sup>4</sup> The Exchange proposes to increase the fee for Market Makers’ Manual executions to \$0.50 per contract. The proposed change is intended to more closely align the Exchange’s fee for Manual transactions by Market Makers with fees charged by at least one other competing exchange.<sup>5</sup> Although the proposed change would increase the fee for Manual transactions for Market Makers, the Exchange believes Market Makers will continue to quote actively to participate in transactions on the Trading Floor as they do today, thereby promoting trading opportunities and competition on the Trading Floor to the benefit of all market participants.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,<sup>7</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The proposed change is reasonable, equitable, and not unfairly discriminatory. 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.”<sup>8</sup>

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.<sup>9</sup> Therefore, currently no exchange

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<sup>4</sup> See Fee Schedule, NYSE Arca OPTIONS: TRADE-RELATED CHARGES FOR STANDARD OPTIONS, TRANSACTION FEE FOR MANUAL EXECUTIONS - PER CONTRACT.

<sup>5</sup> See Nasdaq PHLX, Options 7 Pricing Schedule, Section 4 (providing for \$0.50 per contract fee for Market Maker manual transactions).

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>8</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (S7-10-04) (“Reg NMS Adopting Release”).

<sup>9</sup> The OCC publishes options and futures volume in a variety of formats, including daily and

possesses significant pricing power in the execution of multiply-listed equity & ETF options order flow. More specifically, in October 2024, the Exchange had 12.55% market share of executed volume of multiply-listed equity and ETF options trades.<sup>10</sup> In such a low-concentrated and highly competitive market, no single options exchange possesses significant pricing power in the execution of option order flow. Within this environment, market participants can freely and often do shift their order flow among the Exchange and competing venues in response to changes in their respective pricing schedules.

The Exchange believes the proposed change is reasonable because, although it would increase the fee for Market Maker Manual executions, it is designed to bring the Exchange's fee closer into alignment with a similar fee charged on at least one other competing exchange with a trading floor.<sup>11</sup> In addition, although Market Makers would continue to be subject to a Manual transaction fee greater than those charged to other market participants, the proposed fee is reasonable, on balance, given various other incentives available only to Market Makers.<sup>12</sup> The Exchange also believes the proposed change, although it would increase the fee applicable to Market Makers' Manual transactions, would not discourage Market Makers from conducting Manual executions on the Exchange, thereby continuing to attract volume and liquidity to the Exchange generally and to the benefit all market participants (including those that do not participate in Manual executions) through increased opportunities to trade.

The Exchange believes the proposed rule change is an equitable allocation of its fees and credits and is not unfairly discriminatory, as it applies equally to all similarly-situated market participants on an equal and non-discriminatory basis. The proposal is based on the type of business transacted on the Exchange, and Market Makers are not obligated to engage in Manual transactions. Market Makers benefit from having access to interact with orders that are made available in open outcry on the Trading Floor, and the Exchange believes that the proposed increased fee for Market Makers' Manual transactions is designed to balance the need to attract both Market Makers' and other market participants' orders to the Trading Floor. Although the proposed change would increase the fee for Market Makers' Manual transactions, the Exchange believes Market Makers would continue to quote actively so that they may participate in Manual transactions as they do today, thereby promoting competition and maintaining market quality for

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monthly volume by exchange, available here: <https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics>.

<sup>10</sup> Based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of ETF-based options, *see id.*, the Exchange's market share in multiply-listed equity and ETF options increased slightly from 12.19% for the month of October 2023 to 12.55% for the month of October 2024.

<sup>11</sup> *See* note 5, *supra*.

<sup>12</sup> *See, e.g.*, Fee Schedule, Market Maker Incentives for SPY and MARKET MAKER PENNY AND SPY POSTING CREDIT TIERS.

all market participants. The Exchange also believes that increasing fees for Manual executions by Market Makers, but not for other market participants, represents an equitable, non-discriminatory allocation of fees on balance because Market Makers continue to be entitled to various incentives not available to other market participants.<sup>13</sup>

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

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

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, as discussed above, the Exchange believes that the proposed change would be consistent with charges for similar business on at least one other market. As a result, the Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering integrated competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."<sup>14</sup>

*Intramarket Competition.* The proposed change is designed to continue to promote the use of the Exchange as a primary trading venue, and, specifically, to encourage competition on the Trading Floor. The proposed change is designed to balance the need to attract both Market Makers' and other market participants' orders to the Trading Floor. The Exchange believes that the proposed change to the fee applicable to Manual executions by Market Makers would not discourage them from continuing to conduct Manual executions on the Exchange because interacting with orders that are made available in open outcry on the Trading Floor promotes additional opportunities for quality executions. To the extent that this purpose is achieved, all of the Exchange's market participants should benefit from the continued market liquidity. Enhanced market quality and increased transaction volume that results from the increase in order flow directed to the Exchange will benefit all market participants and improve competition on the Exchange. The Exchange also believes that increasing fees for Manual transactions by Market Makers relative to other market participants does not impose an undue burden on competition because, as noted above, Market Makers have access to other incentives in the Fee Schedule not available to other market participants.<sup>15</sup>

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<sup>13</sup> See id.

<sup>14</sup> See Reg NMS Adopting Release, supra note 8, at 37499.

<sup>15</sup> See note 12, supra.

*Intermarket Competition.* The Exchange operates in a highly competitive market in which market participants can readily favor one of the 17 competing option exchanges if they deem fee levels at a particular venue to be excessive. Based on publicly-available information, and excluding index-based options, no single exchange currently has more than 16% of the market share of executed volume of multiply-listed equity and ETF options trades.<sup>16</sup> Therefore, no exchange currently possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in October 2024, the Exchange had 12.55% market share of executed volume of multiply-listed equity and ETF options trades.<sup>17</sup>

The Exchange believes that the proposed rule change reflects this competitive environment because it modifies the Exchange's fees to be more closely aligned with fees charged by at least one other market with a Trading Floor for similar transactions.<sup>18</sup> The Exchange also believes that the proposed change would continue to promote competition between the Exchange and other execution venues because continued Market Maker activity on the Trading Floor would encourage liquidity, thereby maintaining market quality on the Exchange and encouraging orders to be sent to the Exchange for execution. To the extent that this purpose is achieved, all the Exchange's market participants should benefit from the improved market quality and increased opportunities for price improvement.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>19</sup> and subparagraph (f)(2) of Rule 19b-4<sup>20</sup> because it establishes a due, fee, or other charge imposed by the Exchange. At any time

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<sup>16</sup> See note 9, *supra*.

<sup>17</sup> See note 10, *supra*.

<sup>18</sup> See note 5, *supra*.

<sup>19</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>20</sup> 17 CFR 240.19b-4(f)(2).

within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) of the Act to determine whether the proposed rule change should be approved or disapproved.<sup>21</sup>

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

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

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

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

Exhibit 5 – Amendment to the Exchange’s Fee Schedule

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<sup>21</sup> 15 U.S.C. 78s(b)(2)(B).



SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-NYSEARCA-2024-111)

[Date]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness  
of Proposed Rule Change to Modify the NYSE Arca Options Fee Schedule

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on December 11, 2024, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to modify the NYSE Arca Options Fee Schedule (“Fee Schedule”) regarding the charges applicable to Manual executions by NYSE Arca Market Makers. The Exchange proposes to implement the fee change effective December 11, 2024.<sup>4</sup> The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization included statements

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> The Exchange previously filed to amend the Fee Schedule on November 29, 2024 (SR-NYSEARCA-2024-105), for December 2, 2024 effectiveness, and withdrew such filing on December 11, 2024.

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 purpose of this filing is to modify the Fee Schedule regarding the fee for Manual executions by NYSE Arca Market Makers ("Market Makers"). Currently, Market Makers are charged \$0.35 per contract for Manual executions.<sup>5</sup> The Exchange proposes to increase the fee for Market Makers' Manual executions to \$0.50 per contract. The proposed change is intended to more closely align the Exchange's fee for Manual transactions by Market Makers with fees charged by at least one other competing exchange.<sup>6</sup> Although the proposed change would increase the fee for Manual transactions for Market Makers, the Exchange believes Market Makers will continue to quote actively to participate in transactions on the Trading Floor as they do today, thereby promoting trading opportunities and competition on the Trading Floor to the benefit of all market participants.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>7</sup> in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,<sup>8</sup> in

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<sup>5</sup> See Fee Schedule, NYSE Arca OPTIONS: TRADE-RELATED CHARGES FOR STANDARD OPTIONS, TRANSACTION FEE FOR MANUAL EXECUTIONS - PER CONTRACT.

<sup>6</sup> See Nasdaq PHLX, Options 7 Pricing Schedule, Section 4 (providing for \$0.50 per contract fee for Market Maker manual transactions).

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(4) and (5).

particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The proposed change is reasonable, equitable, and not unfairly discriminatory. 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.”<sup>9</sup>

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.<sup>10</sup> Therefore, currently no exchange possesses significant pricing power in the execution of multiply-listed equity & ETF options order flow. More specifically, in October 2024, the Exchange had 12.55% market share of executed volume of multiply-listed equity and ETF options trades.<sup>11</sup> In such a low-concentrated and highly competitive market, no single options

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<sup>9</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), [70 FR 37496](#), 37499 (June 29, 2005) (S7-10-04) (“Reg NMS Adopting Release”).

<sup>10</sup> The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics>.

<sup>11</sup> Based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of ETF-based options, see id., the Exchange’s market share in multiply-listed equity and ETF options increased slightly from 12.19% for the month of October 2023 to 12.55% for the month of October 2024.

exchange possesses significant pricing power in the execution of option order flow. Within this environment, market participants can freely and often do shift their order flow among the Exchange and competing venues in response to changes in their respective pricing schedules.

The Exchange believes the proposed change is reasonable because, although it would increase the fee for Market Maker Manual executions, it is designed to bring the Exchange's fee closer into alignment with a similar fee charged on at least one other competing exchange with a trading floor.<sup>12</sup> In addition, although Market Makers would continue to be subject to a Manual transaction fee greater than those charged to other market participants, the proposed fee is reasonable, on balance, given various other incentives available only to Market Makers.<sup>13</sup> The Exchange also believes the proposed change, although it would increase the fee applicable to Market Makers' Manual transactions, would not discourage Market Makers from conducting Manual executions on the Exchange, thereby continuing to attract volume and liquidity to the Exchange generally and to the benefit all market participants (including those that do not participate in Manual executions) through increased opportunities to trade.

The Exchange believes the proposed rule change is an equitable allocation of its fees and credits and is not unfairly discriminatory, as it applies equally to all similarly-situated market participants on an equal and non-discriminatory basis. The proposal is based on the type of business transacted on the Exchange, and Market Makers are not obligated to engage in Manual transactions. Market Makers benefit from having access to interact with orders that are made available in open outcry on the Trading Floor, and the Exchange believes that the proposed increased fee for Market Makers' Manual transactions is designed to balance the need to attract

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<sup>12</sup> See note 6, *supra*.

<sup>13</sup> See, e.g., Fee Schedule, Market Maker Incentives for SPY and MARKET MAKER PENNY AND SPY POSTING CREDIT TIERS.

both Market Makers' and other market participants' orders to the Trading Floor. Although the proposed change would increase the fee for Market Makers' Manual transactions, the Exchange believes Market Makers would continue to quote actively so that they may participate in Manual transactions as they do today, thereby promoting competition and maintaining market quality for all market participants. The Exchange also believes that increasing fees for Manual executions by Market Makers, but not for other market participants, represents an equitable, non-discriminatory allocation of fees on balance because Market Makers continue to be entitled to various incentives not available to other market participants.<sup>14</sup>

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

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

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, as discussed above, the Exchange believes that the proposed change would be consistent with charges for similar business on at least one other market. As a result, the Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering integrated competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."<sup>15</sup>

*Intramarket Competition.* The proposed change is designed to continue to promote the use of the Exchange as a primary trading venue, and, specifically, to encourage competition on the Trading Floor. The proposed change is designed to balance the need to attract both Market

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<sup>14</sup> See id.

<sup>15</sup> See Reg NMS Adopting Release, supra note 9, at 37499.

Makers' and other market participants' orders to the Trading Floor. The Exchange believes that the proposed change to the fee applicable to Manual executions by Market Makers would not discourage them from continuing to conduct Manual executions on the Exchange because interacting with orders that are made available in open outcry on the Trading Floor promotes additional opportunities for quality executions. To the extent that this purpose is achieved, all of the Exchange's market participants should benefit from the continued market liquidity. Enhanced market quality and increased transaction volume that results from the increase in order flow directed to the Exchange will benefit all market participants and improve competition on the Exchange. The Exchange also believes that increasing fees for Manual transactions by Market Makers relative to other market participants does not impose an undue burden on competition because, as noted above, Market Makers have access to other incentives in the Fee Schedule not available to other market participants.<sup>16</sup>

*Intermarket Competition.* The Exchange operates in a highly competitive market in which market participants can readily favor one of the 17 competing option exchanges if they deem fee levels at a particular venue to be excessive. Based on publicly-available information, and excluding index-based options, no single exchange currently has more than 16% of the market share of executed volume of multiply-listed equity and ETF options trades.<sup>17</sup> Therefore, no exchange currently possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in October 2024, the Exchange had 12.55% market share of executed volume of multiply-listed equity and ETF options trades.<sup>18</sup>

The Exchange believes that the proposed rule change reflects this competitive

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<sup>16</sup> See note 13, supra.

<sup>17</sup> See note 10, supra.

<sup>18</sup> See note 11, supra.

environment because it modifies the Exchange's fees to be more closely aligned with fees charged by at least one other market with a Trading Floor for similar transactions.<sup>19</sup> The Exchange also believes that the proposed change would continue to promote competition between the Exchange and other execution venues because continued Market Maker activity on the Trading Floor would encourage liquidity, thereby maintaining market quality on the Exchange and encouraging orders to be sent to the Exchange for execution. To the extent that this purpose is achieved, all the Exchange's market participants should benefit from the improved market quality and increased opportunities for price improvement.

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,<sup>20</sup> and Rule 19b-4(f)(2) thereunder<sup>21</sup> 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.

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<sup>19</sup> See note 6, *supra*.

<sup>20</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>21</sup> 17 CFR 240.19b-4.

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](mailto:rule-comments@sec.gov). Please include file number SR-NYSEARCA-2024-111 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-2024-111. 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 submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also 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-2024-111 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.<sup>22</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>22</sup> 17 CFR 200.30-3(a)(12).

Additions underscored  
Deletions [bracketed]

### NYSE Arca Options Fees and Charges

**Effective Date: December [3] 11, 2024**

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#### NYSE Arca OPTIONS: TRADE-RELATED CHARGES FOR STANDARD OPTIONS<sup>14</sup>

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

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

#### TRANSACTION FEE FOR MANUAL EXECUTIONS - PER CONTRACT

Order Type	Manual Executions <sup>5</sup>
LMM	\$0.30
NYSE Arca Market Maker	[\$0.35] <u>\$0.50</u>
Firm and Broker Dealer	\$0.25
Professional Customer	\$0.00
Customer	\$0.00
Firm Facilitation and Broker Dealer facilitating a Customer or Professional Customer <sup>7</sup>	\$0.00

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