

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

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Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103740; File No. SR–NYSEARCA–2025–60]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change To Amend Rule 7.35–E

August 19, 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 August 15, 2025, 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 amend Rule 7.35–E (Auctions) regarding the calculation of the Auction Reference Price. 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 7.35–E (Auctions), which describes how the Exchange conducts auctions, to enhance reference price calculations for the Core Open Auction, Trading Halt Auction, and Closing Auction. The proposed change would reflect an augmented calculation of the Auction Reference Price, as defined in Rule 7.35–E(a)(8)(A), that more accurately reflects price movements in a dynamic market environment, thereby promoting greater transparency in the auction process and the Exchange’s marketplace.

The Auction Reference Price is a price used in determining the Indicative Match Price⁴ for an auction. For example, as provided in Rule 7.35–E(a)(8)(A), if there are two or more prices at which the maximum volume of shares is tradable, the Indicative Match Price will be the price closest to the Auction Reference Price, provided that the Indicative Match Price will not be lower (higher) than the price of an order to buy (sell) ranked Priority 2—Display Orders that was eligible to participate in the applicable auction.

Rule 7.35–E(a)(8)(A) currently defines the Auction Reference Price for the Core Open Auction as the midpoint of the Auction NBBO or, if the Auction NBBO is locked, the locked price. If there is no Auction NBBO, the Auction Reference Price would be the prior trading day’s Official Closing Price. The Auction Reference Price for the Closing Auction is defined as the last consolidated round-lot price of that trading day and, if none, the prior trading day’s Official Closing Price. The Auction Reference Price for a Trading Halt Auction is defined as the last consolidated round-lot price of that trading day and, if none, the prior trading day’s Official Closing Price (except as provided for in Rule 7.35–E(e)(7)(A)).

The Exchange proposes to amend Rule 7.35–E(a)(8)(A) regarding the calculation of the Auction Reference Price for the Core Open Auction to reflect a cascading calculation that would consider, in addition to the benchmarks currently reflected in the rule, the price of the last consolidated trade of at least one round lot of that trading day. The Exchange notes that

this proposed change would promote consistency with the Auction Reference Price calculation for the Closing Auction and Trading Halt Auction.⁵ As proposed, the Auction Reference Price for the Core Open Auction would be defined as:

- The price of the last consolidated trade of at least one round lot of that trading day, or
- If there were no such trades, the midpoint of the Auction NBBO, or
- If the Auction NBBO is locked, the locked price, or
- If there is no Auction NBBO, the prior trading day’s Official Closing Price for the initial calculation of the Auction Reference Price, and for each subsequent calculation of the Auction Reference Price, the most recently calculated Auction Reference Price.

With the addition of the price of the last consolidated trade of at least one round lot of that trading day as a benchmark for calculating the Auction Reference Price for the Core Open Auction, the Exchange proposes to distinguish between the initial calculation of the Auction Reference Price for the Core Open Auction and subsequent calculations pursuant to the cascading calculation, in the event that there is no Auction NBBO. For the initial calculation, the Exchange proposes that, if there is no Auction NBBO, the Auction Reference Price would, as currently, be the prior trading day’s Official Closing Price. However, for subsequent calculations of the Auction Reference Price when there is no Auction NBBO, the Exchange proposes that the Auction Reference Price would instead be the most recent Auction Reference Price, which the Exchange believes would provide a more recent reference price for the auction. In addition, the Exchange proposes to specify that each Auction Reference Price calculation would be based on an evaluation of the period since the last calculation of the Auction Reference Price. This proposed change

⁵ The Exchange proposes conforming changes to the definition of Auction Reference Price for the Closing Auction and Trading Halt Auction to use the same language as is proposed for the Auction Reference Price for the Core Open Auction. Specifically, the Exchange proposes to use the “price of the last consolidated trade of at least one round lot of that trading day” formulation in place of the existing “last consolidated round-lot price of that trading day.” These proposed changes are not intended to change how the Exchange determines the Auction Reference Price for the Closing Auction or Trading Halt Auction, but would add clarity and consistency in Rule 7.35–E(a)(8)(A) with respect to the determination of the Auction Reference Price. The Exchange also proposes non-substantive grammatical changes to the Auction Reference Price definitions for the Early Open Auction, Closing Auction, Trading Halt Auction, and IPO Auction to further improve clarity in Rule 7.35–E(a)(8)(A).

¹⁰ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.

⁴ The Indicative Match Price is the best price at which the maximum volume of shares, including the non-displayed quantity of Reserve Orders, is tradable in the applicable auction, subject to Auction Collars. See Rule 7.35–E(a)(8).

is intended to ensure that, in cases where there was no consolidated trade of at least one round lot in the period since the last calculation of the Auction Reference Price, the Auction Reference Price would instead be the midpoint of the Auction NBBO (or other price as provided for in Rule 7.35–E(a)(8)(A)) to reflect a more recent reference price for the auction.

The Exchange also proposes that Auction Reference Price calculations for the Core Open Auction, Closing Auction, and Trading Halt Auction would exclude trades on Trade Reporting Facilities during the Early Trading Session or Late Trading Session, which may not reflect the actual market in a security, thus providing for a more accurate snapshot of the current market.

The Exchange believes the proposed enhancements to the calculations of the Auction Reference Price for auctions on the Exchange would better reflect more recent trading activity, and such price may reflect a more recent valuation for a security, to the benefit of investors. The proposed rule change would therefore promote the fair and orderly operation of auctions on the Exchange by using reference prices that are consistent with the most recent market activity in a given security, which would also allow more buy and sell interest to participate in such auctions.

Because of the technology changes associated with the proposed changes, the Exchange proposes to announce the implementation date of these changes by Trader Update. Subject to approval of this proposed rule change, the Exchange anticipates that such changes will be implemented before the end of the fourth quarter of 2025.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,⁶ in general, and furthers the objectives of Section 6(b)(5),⁷ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes the proposed change would promote just and equitable principles of trade, remove impediments to, and perfect the

mechanism of, a free and open market and a national market system, and protect investors and the public interest because it is intended to enhance the process for reference price calculations for auctions conducted by the Exchange. Specifically, the proposed change is intended to reflect an augmented calculation of the Auction Reference Price for the Core Open Auction, Closing Auction, and Trading Halt Auction to more accurately reflect price movements in a dynamic market environment, thereby promoting transparency and removing impediments to and perfecting the mechanisms of a free and open market and a national market system. As noted above, the proposed changes to Rule 7.35–E(a)(8)(A) would reflect that the calculation of the Auction Reference Price for the Core Open Auction would take into account the price of the last consolidated sale of at least one round lot of the trading day and would be based on an evaluation of the period since the last calculation of the Auction Reference Price. In addition, the Auction Reference Price calculations for the Core Open Auction, Closing Auction, and Trading Halt Auction would exclude trades on Trade Reporting Facilities during the Early Trading Session or Late Trading Session. The Exchange believes that the proposed change would result in Auction Reference Prices that better reflect more recent trading activity and which may reflect a more recent valuation for a security. The Exchange believes that the proposed change would thus remove impediments to, and perfect the mechanism of, a free and open market and a national market system because it is intended to provide market participants with reference price information that could encourage additional liquidity in auctions conducted on the Exchange.

The Exchange believes that the proposed non-substantive grammatical changes to the Auction Reference Price definitions for the Early Open Auction, Closing Auction, Trading Halt Auction, and IPO Auction would remove impediments to, and perfect the mechanism of, a free and open market and a national market system and protect investors and the public interest because they are not intended to effect any change to these definitions and are intended only to promote clarity in Rule 7.35–E(a)(8)(A).

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. The proposed rule change is not intended to address competitive issues but rather is concerned solely with enhancing the quality of the reference prices the Exchange utilizes for the Core Open Auction, Closing Auction, and Trading Halt Auction. The proposed rule change does not implicate any intermarket competition concerns because it relates to how the Exchange would facilitate auctions in Exchange-listed securities.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

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

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR–NYSEARCA–2025–60 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–2025–60. 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

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

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-2025-60 and should be submitted on or before September 12, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103744; File No. SR-NYSEAMER-2025-51]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change To Amend Rule 904

August 19, 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 August 15, 2025, NYSE American LLC ("NYSE American" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend Rule 904 (Position Limits) regarding the position limits for options on the Grayscale Bitcoin Trust ETF ("GBTC"), the Grayscale Bitcoin Mini Trust ETF ("BTC"), and the Bitwise Bitcoin ETF ("BITB") (collectively, the "Bitcoin ETFs"). 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 amend Rule 904 (Position Limits) regarding the position limits for options on the Bitcoin ETFs. Specifically, the proposed rule change amends Rule 904, Commentary .07(f) to delete the 25,000-contract position limit for options on each Bitcoin ETF. As a result, the position limits for Bitcoin ETF options would be determined in accordance with Rule 904, Commentary .07(a)-(e) and be based on trading in each Bitcoin ETF during the most-recent six-month period.⁴ This proposal is based on substantially identical rule changes submitted by NYSE Arca, Inc., the Exchange's affiliated equities exchange, and approved by the Securities and Exchange Commission ("Commission").⁵

Each Bitcoin ETF is an Exchange-Traded Fund ("ETF") that holds bitcoin

and is listed on NYSE Arca.⁶ On October 18, 2024, the Commission approved the listing and trading of Bitcoin ETF options on the Exchange.⁷ The position and exercise limits for options on each Bitcoin ETF are 25,000 contracts, as set forth in Rule 904, Commentary .07(f), the lowest available limit.⁸

Per the Commission "rules regarding position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options positions."⁹ For this reason, the Commission requires that "position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security."¹⁰ Based on its review and analysis of the Bitcoin ETF data, the Commission concluded that the 25,000-contract position limit for options on each Bitcoin ETF satisfied these objectives.¹¹

While the Exchange proposed a 25,000-contract position limit in its initial rule filing to list and trade Bitcoin ETF options, it nonetheless believes that evidence existed to support a much higher position limit. Specifically, when the Commission approved the Exchange's proposal to permit the listing and trading of Bitcoin ETF options, it considered and reviewed data analysis that the exercisable risk associated with a position limit of 25,000 contracts represented only 0.9% of the outstanding shares of GBTC; 0.7% of the outstanding shares of BTC; and

⁶ NYSE Arca received approval to list and trade Bitcoin-Based Commodity-Based Trust Shares in GBTC, BTC, and BITB pursuant to NYSE Arca Rule 8.201-E(c)(1). See Securities Exchange Act Release Nos. 99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to list and trade options on, among other ETFs, GBTC and BITB) (SR-NYSEARCA-2021-90); 100610 (July 26, 2024) (order approving listing and trading of Commodity-Based Trust Shares of BTC, among other ETFs), 89 FR 62821 (August 1, 2024) (SR-NYSEARCA-2023-45). The Exchange began trading Bitcoin ETF options on November 22, 2024.

⁷ See Securities Exchange Act Release No. 101386 (October 18, 2024), 89 FR 84960 (October 24, 2024) (SR-NYSEAMER-2024-49) (order approving the listing and trading of options on GBTC, BTC, and BITB, pursuant to Rule 915, Commentary .10(a) (the "Bitcoin ETF Options Approval Order").

⁸ See Rule 904, Commentary .07(e) and Rule 905(a)(i).

⁹ See Bitcoin ETF Options Approval Order, 89 FR at 84971.

¹⁰ See *id.*

¹¹ See *id.*

⁸ 17 CFR 200.30-3(a)(12).

¹¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ Pursuant to Rule 905(a)(i), the exercise limits for options on each Bitcoin ETF are equivalent to the position limits prescribed for such options in current Rule 904. Therefore, currently, the exercise limit for options on each Bitcoin ETF is 25,000 contracts. The proposed rule change would modify the exercise limit for Bitcoin ETF options to be equivalent to the position limit prescribed in Rule 904, Commentary .07 (which may be 25,000, 50,000, 75,000, 200,000, or 250,000, depending on the six-month trading volume or the six-month trading volume and outstanding shares of IBIT). See Rule 904, Commentary .07(a)-(e).

⁵ See Securities Exchange Act Release Nos. 103567 (July 29, 2025) 90 FR 36253 (August 1, 2025) (SR-NYSEARCA-2025-07) (order approving NYSE Arca proposed rule change to amend position and exercise limits for GBTC options) and 103568 (July 29, 2025) 90 FR 36238 (August 1, 2025) (SR-NYSEARCA-2025-10) (order approving NYSE Arca proposed rule change to amend position and exercise limits for BTC and BITB options) (together, the "Arca Approval Orders").